

**LOUISIANA
HOUSING
CORPORATION**

BOARD OF DIRECTORS

Agenda Item #2

Board Meeting DRAFT Minutes

May 9, 2012

Table of Contents

April 11, 2012 LHC Board Meeting DRAFT Minutes4.2

LHC Board of Directors

Board Meeting Minutes

Wednesday, April 11, 2012

**2415 Quail Drive
V. Jean Butler Board Room
Baton Rouge, LA 70808
11:00 A.M.**

Board Members Present

Michael L. Airhart
Mayson H. Foster
Alice Washington obo Treasurer John N. Kennedy
Ellen M. Lee
Matthew P. Ritchie
Frank H. Thaxton, III
Malcolm Young

Board Members Absent

Dr. Daryl V. Burckel

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

See Guest Sign-In Sheet

CALL TO ORDER

LHC Board Chairman Michael L. Airhart called the meeting to order at 11:26 A.M. Board Secretary Barry E. Brooks called the roll; there was a quorum.

APPROVAL OF MINUTES

On a motion by Board Member Malcolm Young, seconded by Board Member Frank H. Thaxton, III, the Minutes of the March 13, 2012 LHC Programs Orientation were approved unanimously.

Next item discussed was the March 14, 2012 LHC Board Meeting Minutes.

On a motion by Board Member Frank H. Thaxton, III, seconded by Board Member Matthew P. Ritchie, the Minutes of the March 14, 2012 LHC Board Meeting were approved unanimously.

LHC INTERIM EXECUTIVE DIRECTOR'S REPORT

LHC Interim Executive Director Don J. Hutchinson provided a summary of 2012 Legislative Session bills that either directly or indirectly affected the Agency, in addition to those that were being monitored with no significant impact.

Board Member Frank H. Thaxton, III, inquired on Representative Fannin's HB 822, which would take \$11M from the Agency and transfer it to the State Treasury, as to when would the Agency's bond rating be in jeopardy if the Legislature continue taking monies.

Agency CFO Rene Landry advised that the rating agency used a multifaceted rating criterion but does not give a definitive percentage, but that maintaining reserves is a crucial component in their evaluations.

Board Member Thaxton thereafter requested Mr. Landry send a letter to Moody's to get their response of the Agency's reserves threshold.

Thereafter, Vice-Chairman Mayson H. Foster requested that Mr. Landry provide him with a copy of the memorandum that was issued on the matter previously by Moody's in November 2011.

IED Hutchinson continued noting that a summary of the various follow-up items from the LHC Programs Orientation was in the binders and that staff was reviewing said matters and would be providing responses thereof to the Board, and that the summary would be a beneficial component for the Strategic Plan Retreat (SPR).

Chairman Airhart advised that he envisioned perhaps a half-day SPR on an upcoming Board Meeting day.

IED Hutchinson continued noting that Agency General Counsel Keith Cunningham had requested an Attorney General Opinion regarding how the LHC would operate compared to the LHFA, that there was a groundbreaking at Autumn Place on March 15, that he'd be attending the Affordable Housing Conference in New Orleans on April 26, that the new Master Servicer for the Agency would be Standard Mortgage, and that he'd be attending the NCSHA Legislative Conference in WashDC April 23-25.

Chairman Airhart encouraged the Board to attend the Affordable Housing Conference, the Novogradac Tax Credit Conference, and the NCSHA Legislative Conference.

Former LHFA Board Commissioner Donald Vallee advised everyone that he felt the State's taking the Agency monies would have a detrimental effect, and that he felt the taking of such was unconstitutional. Accordingly, he proposed liquidating some of the Agency's assets (i.e., Village de Jardin). He also suggested that the Board review the Agency's checkbook register, balance sheet, cash flows, accounts payables and receivables, etc.

Thereafter, Chairman Airhart requested that Mr. Landry provide to the Board the 2009-2010 Financial Statements, and that all other previously LHFA Board distributed reports be provided to the LHC Board likewise.

Vice-Chairman Foster applauded the Agency on a well-run QAP public hearing that had been held earlier prior to the Board Meeting.

Vice-Chairman Foster proposed amending the Agenda to be able to discuss some of the items discussed during the QAP public hearing (i.e. caps, pools, congressional allocations, etc.). Chairman Airhart requested said discussions be held for the Other Business phase of the Board Meeting.

Agenda Item #5 – Resolution for Property Manager for Mid-City Gardens (MCG) Apartments.

LHFA Program Administrator Loretta Wallace went over the specifics of the matter, noting that an RFP had been issued and that three (3) responses had been received; however, two (2) were rejected for failing to meet the selection criteria so only one (1) had been graded; and that staff

had reviewed the matter, and was recommending approval thereof for Multifamily Mission Ministries to be selected as Property Manager for MCG.

Mr. Vallee advised that he felt that the responses to the RFP were inadequate and given that the project was actually behind schedule that the matter should not be considered and accordingly should be thrown out.

There were further discussions regarding the aforementioned matter by Board Member Ritchie, Mr. Cunningham, and Ms. Wallace.

On a motion by Vice-Chairman Mayson H. Foster, and seconded by Board Member Frank H. Thaxton, III, the resolution authorizing the Louisiana Housing Finance Agency (“Agency”) to select Multi-Family Mission Ministries, Inc. as property managers for the Agency owned property Mid-City Gardens (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, a Roll Call Vote was taken, and the motion passed 4 (YES) to 3 (NO). The votes were as follows:

YES (Airhart, Foster, Washington, Lee), NO (Ritchie, Thaxton, Young), Absent (Burckel), Abstain (none). Tie breaking vote was YES from Chairman Airhart.

Agenda Item #6 – Resolution regarding Guste Homes Phase III Project

Ms. Wallace went over the specifics of the matter, noting staff was recommending approval thereof, and that the matter would next go to the State Bond Commission for approval.

Mr. David Gilmore of Housing Authority of New Orleans (HANO) and tenant Ms. Cynthia Wiggins addressed the Board, noting that the project would be the last and longest lasting public housing site in New Orleans. He also stated that no bids for the project had been solicited yet so they did not have any cost per unit information thereof.

Mr. Gilmore also stressed that the “new HANO” was full of vigor in protecting and wisely spending public dollars, and that the project would be financed with both HANO monies and bond financing.

On a motion by Board Member Frank H. Thaxton, III, and seconded by Board Member Ellen M. Lee, the resolution of intention to issue and to authorize Multifamily Housing Revenue Bonds to finance the acquisition, construction and equipping of a multifamily housing project; authorizing not exceeding \$30,000,000 of Multifamily Housing Revenue Bonds (Guste Homes Phase III Project) in one or more series; 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.

Agenda Item #7 – HOME 2011-2012 NOFA Recommended Awards List

Program Administrator Charlette Minor went over the specifics of the matter, also noting there were two (2) categories this month (CHDO Development and Continuous Projects) and that there would be two (2) more categories of awards presented for approval next month (Urban Rental and Rural Rental Projects).

On a motion by Board Member Frank H. Thaxton, III, and seconded by Board Member Malcolm Young, the resolution to authorize the Louisiana Housing Finance Agency (the “Agency”) to implement and administer a total amount up to (\$18,133,848) 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, (\$5,000,000) for Urban Rental Development, and (\$5,000,000) 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.

Agenda Item #8 – Technical Grant Writer (TGW) for Housing Initiatives

Program Administrator Loretta Wallace went over the specifics of the matter, noting that the plan was to use the TGW for the Section 8 Proposal and for future housing funding initiatives. However, given that the Section 8 Proposal deadline had been extended to June 2012, she advised that staff may be able to complete such with assistance from Agency Bond Counsel Wayne Neveu.

Agenda Item #9 – 2012A Single Family bond Issuance

Ms. Wallace went over the specifics of the matter.

Ms. Annie Lee, Agency Underwriter from JPMorgan, addressed the Board noting that she was looking forward to working with the Agency’s Finance Team.

Board Member Matthew Ritchie inquired as to when the Single Family Program would be up and running again. Ms. Evans advised such would begin once the Master Servicer contract is finalized.

Mr. Richard Wolcott, Advisor to Standard Mortgage, informed the Board that a Memorandum of Understanding (MOU) was needed in order for Standard Mortgage to be the Interim Mortgage Servicer until the contract is finalized. General Counsel Keith Cunningham advised such could be done.

On a motion by Board Member Matthew P. Ritchie and seconded by Board Member Frank H. Thaxton, III, the resolution authorizing and directing the Single Family Program Finance Team to proceed to structure the 2012A Single Family Mortgage Revenue Bond Program; 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.

Agenda Item #10 – Updates and Reports

LHFA Program Administrator Charlette Minor gave a brief update on the HOME, NSP, and NRPP programs, noting that there was currently a \$763,115.42 HOME funds balance remaining.

Chairman Airhart requested that Ms. Minor provide him with an NSP Recapture Plan and also provide any IDS system backup documentation thereof by the end of April.

LHFA Program Administrator Loretta Wallace gave a brief update on the Energy Assistance Programs, LIHEAP, and WAP matters.

Mr. Jon Phelps of LACAP address the Board, advising that they were moving out four (4) entities due to quality problems and will distribute their projects to other entities. Ms. Wallace advised that the four (4) entities would also be notified that they are not eligible to participate in future WAP projects.

Chairman Airhart inquired as to if there were any stats on pre- versus post-utility usage information for homes that had been weatherized. Mr. Phelps advised that LACAP currently had a contract with LSU to perform an impact study and would provide the analysis once completed.

Ms. Wallace next gave a brief update on Willowbrook Apartments in New Orleans, noting they were at an 82% occupancy rate, and that the staff was rebidding the Building W repair costs.

Chairman Airhart requested that Ms. Wallace provide the Board with the aforementioned bids for review.

Mr. Vallee addressed the Board discussing the LHFA BOC Asset Management Committee and how information was communicated to the LHFA Board. He also noted that the plumbing problems at Willowbrook were very extensive and suggested that the LHC get out of the property owning business.

Dr. Tijerino gave a brief update on the FFE aspects and water damage at Mid-City Gardens Project in Baton Rouge.

Chairman Airhart requested that the actual costs for FFE be provided to the Board at the May meeting.

Mr. Ken Gardner with D. Honore Construction addressed the Board and advised that the water remediation issue at MCG was being swiftly addressed and corrected.

Mr. Skipper Post of Post Architects addressed the Board and discussed the sealing joint problem repairs, and that all would be done to insure that there is not moisture in the structures.

Chairman Airhart requested at a report on the repairs and water remediation be presented at the May Board meeting.

Dwayne Honore, representing the project construction company, advised the Board that he would be able to remediate the water issues. Project Architect Skipper Post concurred that he was working very closely with Mr. Honore in resolving the water penetration issues to make sure that everything is perfectly dry, and that he was encouraging concurrent work on the project accordingly.

Dr. Tijerino next discussed the Village de Jardin (VDJ) project in New Orleans, noting that the first tenant lease had been done earlier in the day.

Mr. Vallee next gave a historical background on VDJ.

Chairman Airhart requested a timeline memo on the project from Office of Facility Planning for the May Board meeting. Mr. Hutchinson advised that a full report on VDJ would be provided accordingly.

Ms. Charlotte Bourgeois of LAAHP noted that she felt the Board was getting a good education on some of the problems encountered in being a developer.

Ms. Evans gave a brief update on the Single Family Department, noting that in the binders were reports on 2011A, delinquency reports, as well as the Whole Loan report.

Ms. Evans also advised that the Draft QAP public hearing had been held earlier that morning.

Board Member Ritchie inquired as to whether the Master Servicer Contract would be long-term. Chairman Airhart suggested that it be viewed from the standpoint of a multi-year agreement to ensure a long-term relationship.

Agenda Item #11 – Other Business

Vice-Chairman Foster moved to Suspend the Rules to Amend the Agenda to add an item entitled “Discussion and Actions on 2013 QAP”. The motion was seconded by Board

Member Malcolm Young; and was moved to debate. There being no further discussion, opposition, or public comments, a voice vote was taken, and the motion FAILED for lack of a unanimous vote.

Board Member Thaxton inquired that since the aforementioned item would not be discussed at the present meeting, when such discussion would take place.

Ms. Evans noted that staff would consolidate all of the comments received, send out a timeline for a possible Special Board Meeting, and update the Draft QAP by incorporating the comments for the Board to review.

Board Chairman Airhart directed Ms. Evans to complete the aforementioned items within the next seven (7) days and post to the websites. He also noted that the matter would be further discussed at the May Board meeting.

Ms. Debra Washington of National Housing Consultant Services inquired as to when the development community would be able to comment on the revised Draft QAP. Chairman Airhart replied the document would be available in the next two (2) weeks.

ADJOURNMENT

There being no other matters to discuss, Board Member Ellen M. Lee offered a motion for adjournment that was seconded by Board Member Matthew P. Ritchie. There being no discussion or opposition, the matter was unanimously passed.

The Full Board meeting adjourned at 1:44 PM.

Chairman

Secretary