

LHC Board of Directors

Board Meeting Minutes

Wednesday, October 10, 2012

**2415 Quail Drive
V. Jean Butler Board Room
Baton Rouge, LA 70808
10:00 A.M.**

Board Members Present

Michael L. Airhart
Dr. Daryl V. Burckel
Treasurer John N. Kennedy (and Alice Washington)
Ellen M. Lee
Matthew P. Ritchie
Willie Spears
Malcolm Young

Board Members Absent

Mayson H. Foster
Guy T. Williams, Jr.

Staff Present

Don J. Hutchinson
Bradley Sweazy
Barry E. Brooks
Brenda Evans
Loretta Wallace
Rene' Landry
Danny Veals
Jeff DeGraff
Terry Holden
Todd Folse
Natasha Anderson

Edselle Keith Cunningham, Jr.
Christine Bratkowski
Leslie C. Strahan
Jessica Guinn
Victoria Hilton

Others Present

See Guest Sign-In Sheet

CALL TO ORDER

LHC Board Chairman Michael L. Airhart called the meeting to order at 10:25 a.m. Board Secretary Barry E. Brooks called the roll; there was a quorum.

APPROVAL OF MINUTES

On a motion by Board Member Dr. Daryl V. Burckel and seconded by Board Member Ellen M. Lee, the Minutes of the September 12, 2012 LHC Board of Directors meeting were approved unanimously.

LHC BOARD CHAIRMAN'S REPORT

Board Chairman Michael L. Airhart thanked Vice-Chairman Mayson H. Foster for presiding over the September BODM due to his absence. He also thanked the LHC Executive Management Staff, Finance Team, and VC Foster for meeting with Moody's in New York City, noting that he'd received reports that the meeting went very well.

LHC INTERIM EXECUTIVE DIRECTOR'S REPORT

IED Don J. Hutchinson reported on the following items: introduced the LHC new Account Representative Danette McGee; discussed his recent Mid-City Gardens site tour; attended the ByWater Apartment Lofts groundbreaking; discussed the upcoming LAAHP 5th Annual Conference; and advised of the upcoming House Municipal and Parochial Affairs Committee meeting update on the status of the LHC Transition.

LHC STAFFING PLAN OVERVIEW

Chairman Airhart advised the Board that an overview of the LHC Staffing Plan was in their binders for review. IED Hutchinson briefly discussed the specifics thereof.

PRESENTATION OF EXTERNAL AUDITS FOR FISCAL YEAR ENDING JUNE 30, 2012

CFO Rene' Landry went over the specifics of the matter. Thereafter, representatives of Duplantier, Hrapmann, Hogan & Maher, L.L.P., CPAs, discussed their audit process, testing procedures, and internal controls, finally advising there were no weaknesses or deficiencies found thereof. It was also noted that no significant findings have been found for the past seven (7) consecutive years.

Chairman Airhart applauded the Accounting and Internal Audit Groups for their fiscal governance.

Board Member Ellen M. Lee inquired as to the status of having the Louisiana Legislative Auditor perform audits on LHC/OCD programs. COO Bradley Sweazy noted that a meeting to proceed with such was scheduled for the upcoming week.

LOUISIANA DISASTER HOUSING TASK FORCE ON HURRICANE ISAAC

Mr. Sweazy noted that all shelters had been closed, 551 families were still being housed in hotels, 18 parishes had been declared disaster areas, that HUD was bringing in Subject Matter Experts to design the next phase of the plan, that St. John and Plaquemines Parishes would most likely need the most help, and that he was working on getting waivers wherein necessary.

Chairman Airhart requested an Executive Summary of the pros/cons and strengths/weaknesses of using CDBG or HOME dollars to create some better assistance programs for named storm deductibles.

Agenda Item #7 – Resolution regarding 4% LIHTC for Elm Drive Senior Housing Project

LHC Program Administrator Brenda Evans went over the specifics of the matter, noting it was a 60 unit complex located in Baton Rouge; that staff had reviewed the matter and also inspected the property, and were recommending rehab approval thereof.

On a motion by Board Member Malcolm Young and seconded by Board Member Willie Spears, the resolution establishing the maximum qualified basis and low-income housing credits to Elm Drive Senior Housing, 4250 Elm Drive (off Airline Highway), Baton Rouge, LA, East Baton Rouge Parish, Louisiana; authorizing the staff and counsel to prepare the forms of such documents and agreements as may be necessary to allocate 4% Low Income Housing Tax Credits to such facilities; and providing for other matters in connection therewith, was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed unanimously.

Agenda Item #8 – Resolution regarding Merchant Capital, L.L.C. purchase of \$5M LHC MHRB for Elm Drive Senior Housing Project

Ms. Evans went over the specifics of the matter, noting that staff was recommending approval thereof.

On a motion by Board Member Dr. Daryl V. Burckel and seconded by Board Member Malcolm Young, the resolution accepting the proposal of Merchant Capital, L.L.C. or such other purchaser as may be designated by the Developer for the purchase of not to exceed Five Million Dollars (\$5,000,000) Louisiana Housing Corporation Multifamily Housing Revenue Bonds (Elm Drive Senior Housing Project, 4250 Elm Drive {off Airline Highway}, Baton Rouge, LA, East Baton Rouge Parish, Louisiana) in one or more series; fixing the parameter terms of said bonds and otherwise providing with respect to said bonds; and providing for other matters in connection therewith, was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed with one (1) NO Vote from Board Member Matthew P. Ritchie.

Agenda Item #9 – Resolution regarding 4% LIHTC for Tangi Village Project

Ms. Evans went over the specifics of the matter, noting it was a 96 unit complex located on the outskirts of Hammond, that staff had reviewed the matter and also inspected the property, and were recommending approval thereof.

On a motion by Board Member Willie Spears and seconded by Board Member Dr. Daryl V. Burckel, the resolution establishing the maximum qualified basis and low-income housing credits to Tangi Village, 13080 Quick Boulevard, Hammond, LA, Tangipahoa Parish, Louisiana; authorizing the staff and counsel to prepare the forms of such documents and agreements as may be necessary to allocate 4% Low Income Housing Tax Credits to such facilities; and providing for other matters in connection therewith, was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed with one (1) NO Vote from Board Member Matthew P. Ritchie.

Agenda Item #10 – Resolution regarding Merchant Capital, L.L.C. purchase of \$5M LHC MHRB for Tangi Village Project

Ms. Brenda Evans went over the specifics of the matter, noting that staff had reviewed the matter and were recommending approval thereof.

Board Member Treasurer John N. Kennedy inquired as to how the project had become so dilapidated and in such disrepair. Ms. Evans advised that HUD and the owners are ultimately responsible for the upkeep and the monitoring of the conditions related thereof.

Treasurer Kennedy inquired further as to why HUD had not found a resolve to the property earlier and if they were also recommending approval of the resolution.

Ms. Evans replied that yes, HUD was in support of LHC rehabbing the property, but that she'd prefer to have HUD reply on its own officially.

There were further discussions amongst Treasurer Kennedy, Ms. Evans, and Chairman Airhart regarding debt services, the project's funding sources, and financial statements related to the property.

COO Sweazy advised that improving compliance standards at LHC should be a primary component of the upcoming Strategic Plan.

On a motion by Board Member Willie Spears and seconded by Board Member Dr. Daryl V. Burckel, the resolution accepting the proposal of Merchant Capital, L.L.C. or such other purchaser as may be designated by the Developer for the purchase of not to exceed Six Million Dollars (\$6,000,000) Louisiana Housing Corporation Multifamily Housing Revenue Bonds (Tangi Village Project, 13080 Quick Boulevard, Hammond, LA, Tangipahoa Parish, Louisiana) in one or more series; fixing the parameter terms of said bonds and otherwise providing with respect to said bonds; and providing for other matters in connection therewith, was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed with one (1) NO Vote from Board Member Matthew P. Ritchie.

Agenda Item #11 – Resolution regarding Extension of Carryover Allocation Documentation

Ms. Evans went over the specifics of that matter, noting that staff was recommending approval thereof.

Thereafter, Mr. James Freeman of Standard Enterprises addressed the Board and discussed storage fees related to his project, gave an update on the project, and noted that the project was scheduled to close in November.

On a motion by Board Member Dr. Daryl V. Burckel, and seconded by Board Member Willie Spears, the resolution authorizing an extension of submission of Carryover Allocation Documentation as stipulated in the 2011/2012 QAP by Louisiana Housing Corporation (the "Corporation") with respect to a certain project awarded under such QAP; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed unanimously.

Agenda Item #12 – Resolution purchasing \$30M of LHC SFMRRB Series 2012A

Ms. Evans went over the specifics of the matter, noting staff and the Financial Team was recommending approval thereof.

On a motion by Board Member Malcolm Young and seconded by Board Member Matthew P. Ritchie, the resolution accepting the parameter term proposal for the purchase of not exceeding Thirty Million Dollars (\$30,000,000) of Louisiana Housing Corporation Single Family Mortgage Revenue Refunding Bonds, Series 2012A in one or more sub-series; fixing the parameter terms of said bonds and otherwise providing with respect to said bonds; approving the form and directing the execution of the Bond Purchase Agreement for said Bonds; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed unanimously.

Agenda Item #13 --- Resolution contracting with Executive Search Consultant

Chairman Airhart advised that interviews had been held prior to the Board Meeting and that thereafter scoring sheets had been completed by the Review Committee and reviewed.

LHC Executive Counsel Keith Cunningham advised the Board that the scoring sheets had been tabulated and that Bob Murray and Associates received the highest score.

On a motion by Board Member Malcolm Young and seconded by Board Member Dr. Daryl V. Burckel, the resolution authorizing the Louisiana Housing Corporation (“Corporation”) to contract with Bob Murray & Associates as Executive Search Consultant to assist the Board of Directors in advertising for and recruiting an Executive Director; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed unanimously.

Agenda Item #14 – Updates and Reports

Reports and/or Updates were given by Ms. Evans for Tax Credit Program and Single Family Program.

Mr. Sweazy gave updates on the HOME PR-27 Report and NSP.

Ms. Wallace went over the Energy Programs Activity, and LACAP and ARRA WAP MAX matters. She also discussed the Risk Sharing Defaulted 202s.

Ms. Wallace also discussed Willowbrook Apartments, noting that occupancy rate was around 88.9%.

Ms. Wallace discussed Village de Jardin, noting that there were 202 vacancies, which equates to a 39% occupancy rate.

Mr. Todd Folsie discussed Mid-City Gardens, noting that the project was moving towards completion.

Mr. Sweazy advised that the Louisiana Housing Authority staff would eventually be housed in the MCG Activity Center. Chairman Airhart requested that staff reconnect with BREC for possible partnering and to also resolve the property's parking issues.

OTHER BUSINESS

Mr. Charles Tate addressed the Board and discussed the MCG project's NSP funding. He also requested input in any future RFPs for a proposed CHDO facilitator.

Chairman Airhart thereafter countered Mr. Tate's discussion of the NSP funding history on the MCG project, noting the lack of RFP responses and also discussed why LHC had developed MCG.

Mr. Sweazy also advised that the process to select CHDO facilitators falls under HUD.

Ms. Charlotte Bourgeois of LAAHP reminded everyone of their annual conference on October 11th, and that there was a reception today for anyone interested in attending later in the evening.

ADJOURNMENT

There being no other matters to discuss, Board Member Willie Spears offered a motion for adjournment that was seconded by Board Member Dr. Daryl V. Burckel. There being no discussion or opposition, the matter was unanimously passed.

The Full Board meeting adjourned at 10:59 A.M.

Chairman

Secretary