

LHC Board of Directors

Board Meeting Minutes

Wednesday, May 14, 2014

**2415 Quail Drive
V. Jean Butler Board Room
Baton Rouge, LA 70808
1:00 P.M.**

Board Members Present

Michael L. Airhart
Dr. Daryl V. Burckel
Mayson H. Foster
Treasurer John N. Kennedy
Ellen M. Lee
Willie Spears
Guy T. Williams, Jr.
Malcolm Young

Board Members Absent

Larry Ferdinand
Matthew P. Ritchie

Staff Present

Fred Tombar
Bradley Sweazy
Barry E. Brooks
Rene' Landry
Brenda Evans
Loretta Wallace
Janel Young
Danny Veals
Terry Holden

Todd Folse
Edselle Keith Cunningham, Jr.
Leslie C. Strahan
Jessica Guinn
Christine Bratkowski
Rebekah Ward
Collette Mathis
Victoria Hilton
Marjorianna Willman

Others Present

See Guest Sign-In Sheet

CALL TO ORDER

LHC Board Chairman Michael L. Airhart called the meeting to order at 1:07 p.m. Board Secretary Barry E. Brooks called the roll; there was a quorum.

APPROVAL OF MINUTES

On a motion by Board Member Guy T. Williams, Jr. and seconded by Vice-Chairman Mayson H. Foster, the Minutes of the April 14, 2014 Board Strategic Plan Meeting were approved unanimously.

On a motion by Board Member Ellen M. Lee and seconded by Board Member Malcolm Young, Jr. the Minutes of the April 14, 2014 LHC Board of Directors Meeting were approved unanimously.

LHC BOARD CHAIRMAN'S REPORT

Board Chairman Michael L. Airhart noted the upcoming Novogradac Affordable Housing Tax Credit Conference in New Orleans on May 15 – 16, 2014.

LHC EXECUTIVE DIRECTOR'S REPORT

ED Frederick Tombar, III discussed the following: federal legislation and housing finance reform, PBCA update, HUD FY 2015 funding bill, State legislation (HB1, HB1026, HB 802, HB 1144, SB588), LHC-Industriplex relocation update, Gustave/Ike Affordable Rental Project, Mid-City Gardens LEED, Homelessness Prevention update

(chronic down by 10%, veterans down by 30%, overall down by 3%), Secretary Donovan coming to New Orleans on May 28th, Unity outreach efforts, and that the LHC has hired an Environmental Manager (Mr. Agaha Brass).

Thereafter, Treasurer Kennedy advised that Senator Peacock has sent him a note that LHC had approved the Renaissance at Allendale project in Shreveport that would be in the path of the proposed I-149 corridor.

There was lengthy discussion between Treasurer Kennedy, ED Tombar, and LHC Program Administrator Brenda Evans.

Treasurer Kennedy requested all written materials that were available at the time the BOD approved the Renaissance project, and how many tax credits were involved in the matter.

Treasurer Kennedy noted his concern from the numerous calls he'd received from media and from his colleagues on the negative impact the development would have on the path of I-49.

Treasurer Kennedy suggested that Mr. Tombar and Ms. Evans go and meet with Senator Peacock again on the matter.

Treasurer Kennedy requested an update on the Housing Assistance Program with Quadel. LHA Executive Director Nicole Sweazy gave a background on the alleged fraudulent check cashing issue, noting that the bank had reimbursed everything except \$17K which had reimbursed by Quadel, and as preventive measure the Program was switching to direct deposit payments with Chase.

LHC Internal Audit Manger Collette Mathis gave a synopsis of her internal audit review of the matter.

MULTIFAMILY COMMITTEE REPORT

MC Chairman Guy T. Williams, Jr. noted that the Committee met earlier, and was recommending approval of the agenda item regarding Cypress Springs Senior Apartments Projects.

On a motion by Board Member Guy T. Williams, Jr. and seconded by Board member Ellen Lee, 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 Nine Million, Seven Hundred Fifty Thousand Dollars (\$9,750,000) Louisiana Housing Corporation Multifamily Housing Revenue Bonds for the Cypress Springs Senior Apartments Project located at 8200 Cypress Road, Baton Rouge, Louisiana 70114; 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 unanimously.

The next item discussed was the resolution regarding the issuing of \$4,150,000 MHRB for Choctaw Lodge Project. MC Chair Williams noted that the Committee discussed the matter earlier, and was recommending approval thereof.

On a motion by Board Member Guy T. Williams, Jr. and seconded by Board Member Willie Spears, the resolution accepting the proposal of CommunityBank of Texas, N.A. or such other purchaser as may be designated by the Developer for the purchase of not to exceed Four Million, One Hundred Fifty Thousand Dollars (\$4,150,000) Multifamily Housing Revenue Bonds for the Choctaw Lodge Project located at 4115, 4150, and 4202 Mohican-Prescott Crossover, Baton Rouge, 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 unanimously.

The next item discussed was the resolution regarding Terrace of Hammond. MC Chair Williams noted that the Committee discussed the matter earlier, and was recommending approval thereof.

On a motion by Board Member Guy T. Williams, Jr. and seconded by Board Member Dr. Daryl V. Burckel, the resolution authorizing a material change to Terrace of Hammond located at 1203 Martin Luther King Avenue, Hammond, Louisiana involving a delay in the project schedule and modification to the project's sources and uses as stipulated in the 2013 Qualified Allocation Plan (QAP) by the Louisiana Housing Corporation with respect to the project submitting a request for such material changes; 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.

The next item discussed was the resolution regarding Iberville Onsite Phase I. MC Chair Williams noted that the Committee discussed the matter earlier, and was recommending approval thereof.

Tom Leonard of HRI Properties address the Board, per Treasurer Kennedy's request, and went over the specifics of the project, noting the weather and soil conditions and related delays.

On a motion by Board Member Guy T. Williams, Jr. and seconded by Board Member Ellen M. Lee, the resolution authorizing a Return/Reallocation of Low Income Housing Tax Credits to Iberville Onsite Phase I located at 303 Basin Street,

New Orleans, Orleans Parish, Louisiana 70112, as stipulated by the Louisiana Housing Corporation Return/Reallocation Protocol with respect to such requests; 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.

The next item discussed was the resolution Carryover Allocation Documentation. MC Chair Williams noted that the Committee discussed the matter earlier, and was recommending approval thereof.

On a motion by Board Member Guy T. Williams, Jr. and seconded by Board Member Dr. Daryl V. Burckel, the resolution authorizing an extension of submission of Carryover Allocation Documentation as stipulated in the 2014 Special Interim Qualified Allocation Plan (“QAP”) with respect to projects awarded under such QAP; 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.

The next item discussed was the 2015 QAP Timeline. Chair Williams noted that more info on the matter would be posted on the LHC website, and that it would be voted on during the June Board Meeting.

MC Chair Williams noted that the Non-Closed Projects update was in the Board binders for review.

Donnie Cunningham addressed the Board regarding his Non-Closed Project.

SINGLE FAMILY COMMITTEE REPORT.

In the absence of SF Chairman Matthew Ritchie, it was noted by Chairman Airhart that the Committee had not met earlier and there were no action items needing Board approval, and that the Single Family Program Updates were in the Board binders for review.

ADMINISTRATIVE COMMITTEE

AC Chairman Malcolm Young noted that the Committee met earlier, and was recommending approval of all the resolutions related to awarding of contracts.

The first item discussed was the award contract for SFMRBP Bond Counsel. Board Member Williams requested that the price be negotiated for contract for the lowest fee.

On a motion by Board Member Malcolm Young, Jr. and seconded by Board Member Dr. Daryl V. Burckel, the resolution authorizing the Louisiana Housing Corporation (“Corporation”) to contract with Foley & Judell LLP and Jones Walker LLP for Bond Counsel for the Single Family Mortgage Revenue Bond Program; 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.

The next item discussed was the award contract for Bond Underwriter for the SFMRBP.

On a motion by Board Member Malcolm Young, Jr. and seconded by Board Member Guy T. Williams, Jr., the resolution authorizing the Louisiana Housing Corporation (“Corporation”) to enter into a contract with Raymond James Financial, Inc., JP Morgan Chase & Co. and George K Baum & Co. to serve as Bond Underwriters; 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.

The next item discussed was the award contract for Cost Structure Analysis and Cost Allocation Plan.

LHC CAO Michelle Thomas went over the specifics of the matter and selection process.

On a motion by Board Member Malcolm Young, Jr. and seconded by Board Member Dr. Daryl V. Burckel, the resolution authorizing the Louisiana Housing Corporation (“Corporation”) to enter a contract with MGT of America, Inc. to provide analysis of the Corporation’s cost structure, resulting in an updated formal Cost Allocation Plan; 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.

The next item discussed was the award contract for Auditor for LHC’s Combined Financial Statements.

On a motion by Board Member Malcolm Young, Jr. and seconded by Board Member Ellen M. Lee, the resolution authorizing the Louisiana Housing Corporation (“Corporation”) to enter a contract with Postlethwaite & Netterville, APAC to serve as auditor of the Corporation’s Combined Financial Statements; 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.

SUSTAINABLE HOUSING COMMITTEE

SHC Chairwoman Ellen M. Lee advised that the Committee met earlier, and were recommending approval of the three (3) action items needing Board approval.

The first item discussed was the resolution regarding the Homeowner Rehab Program. Chair Lee went over the specifics of the matter.

On a motion by Board Member Ellen M. Lee and seconded by Board Member Willie Spears, the resolution to authorize the implementation of the Homeowner Rehab Program; 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.

The next item discussed was the resolution regarding the WAP 2014 State Plan. Chair Lee and ED Tombar went over the specifics of the matter.

On a motion by Board Member Ellen M. Lee and seconded by Board Member Dr. Daryl V. Burckel, the resolution approving and accepting the Louisiana Weatherization Assistance Program Year 2014 State Plan (labeled as "Exhibit A"); 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.

The next item discussed was the resolution regarding the Emergency Shelter Grant Sunset Funds. Chair Lee went over the specifics noting there was an August 30, 2014 spending deadline in the matter.

On a motion by Board Member Ellen M. Lee and seconded by Board Member Dr. Daryl V. Burckel, the resolution to approve and authorize the staff of the Louisiana Housing Corporation (LHC or Corporation) to proceed with the spending down of the Louisiana State Emergency Shelter Grant Sunset funds in the amount of \$388,914.23; 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.

Chair Lee noted that Program Updates were in the Board binders for review.

ASSETS AND INVESTMENTS COMMITTEE REPORT

AIC Chairman Dr. Daryl V. Burckel advised that the Committee had not met earlier, and that there were no action items needing Board approval, and that updates were in the Board binders.

ED Tombar noted that there had been a slight increase in activity at the LSU Clinic at Village de Jardin Apartments.

Board Member Dr. Burckel requested that Program Administrator Loretta Wallace invite LSU Clinic representatives to the June Board Meeting and give an update on their services and programs.

ED Tombar also noted that there was a plan to house PSH/LHA staff at the unused office spaces at VDJ in the very near future.

OTHER BUSINESS

Chairman briefly went over the specifics on the need to eliminate the Innovation Committee, advising that such would be voted on at the June Board Meeting.

Treasurer Kennedy inquired as to the status of the Financial Advisor. ED Tombar advised that said contract matter was not up for renewal currently.

Chairman Airhart solicited members for the Review Team for the upcoming RFPs.

ADJOURNMENT

There being no other matters to discuss, Board Member Guy T. Williams, Jr. offered a motion for adjournment that was seconded by Board Member Willie Spears. There being no discussion or opposition, the matter was unanimously passed.

The Full Board meeting adjourned at 2:15 P.M.

Chairman

Secretary