

LHC Board of Directors

Board Meeting Minutes

Wednesday, February 12, 2014

**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
Larry Ferdinand
Mayson H. Foster
Treasurer John N. Kennedy
Ellen M. Lee
Matthew P. Ritchie
Willie Spears
Guy T. Williams, Jr.
Malcolm Young

Board Members Absent

None

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 12:11 p.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 Larry Ferdinand, the Minutes of the January 8, 2014 LHC Board of Directors meeting were approved unanimously.

LHC BOARD CHAIRMAN'S REPORT

Board Chairman Michael L. Airhart reminded everyone of the Blood Drive in memory of Laura Burckel Peterson from 1:00 p.m. until 4:00 p.m..

LHC EXECUTIVE DIRECTOR'S REPORT

ED Fred Tombar noted his recent trip to Washington, D.C. for the NCSHA HFA Institute and that he'd met with members of the Louisiana Congressional Delegation regarding Federal Mortgage Insurance Corporation matters, and specifically mentioned his visits with Senators Vitter and Landrieu regarding the effect of the pending Biggert-Waters Act legislation; that he has hired Michelle Thomas as the LHC Chief Administrative Officer, and as such, current Chief Operations Officer Bradley will be retitled as Chief Program Officer; he noted that HOME Rules training will be conducted at LHC in the upcoming week and thereafter with CHDOs; that the HUD Appropriations Budget was recently released; that the PBCA matter is still pending litigation, but that there is a probable 2

year extension of current contracts; that LIHEAP and WAP are transitioning to LHC; that a new LHC website is set for launch sometime in March; that there will be NDC training in Underwriting at the end of February for LHC staff; and that Larry Ferdinand and Brenda Evans will be representing LHC at the upcoming NCSHA Legislative Conference in early March.

Treasurer Kennedy requested clarification on whether LHC's hiring of new employees was in contradiction to the recent Governor's Executive Order Hiring Freeze.

MULTIFAMILY COMMITTEE REPORT

MC Chairman Guy T. Williams, Jr. noted that the Committee met earlier, and was recommending approval of the first agenda item regarding implementation of a Preservation Risk Sharing Loan Pilot Initiative.

ED Tombar went over the specifics of the matter, noting more detailed information was in the Board binders.

On a motion by Board Member Guy T. Williams, Jr. and seconded by Board Member Dr. Daryl V. Burckel, the resolution to authorize and direct the Louisiana Housing Corporation to implement a Preservation Risk Sharing Loan Pilot Initiative (the "Preservation Pilot Initiative"); 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 changes to Pecan Villa, located in Ruston, Louisiana. MC Chair Williams noted that the Committee had discussed that matter earlier, and had deferred its consideration until the Full Board meeting.

ED Tombar went over the specifics, noting the good work being done by the developer National Church Residences, that the property was 100% occupied, had been constructed in 1983, and was a HUD reconstruction project.

Board Chairman Airhart inquired as to why the MC had deferred the matter. Mr. Williams advised that there had been debate regarding the project being new construction as opposed to a rehabilitation project. There were further lengthy discussions on the matter amongst the Board Members, Mr. Tombar, Mr. Matt Moore representing national Church Residences, and Mr. Greg Gachassin representing Cartesian Group.

On a motion by Board Member Guy T. Williams, Jr. and seconded by Board Member Willie Spears, the resolution authorizing a material change to Pecan Villa Senior Housing involving (1) a return/reallocation of Low Income Housing Tax Credits (LIHTC), (2) a waiver of the maximum average development cost per unit, (3) a delay in the project schedule, (4) modification to the project's sources and uses, and (5) design changes to the project 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 comments, a Roll Call Vote was taken at the request of Chairman Airhart, and the motion PASSED via 7 (YES) to 2 (NO). The votes were as follows:

YES (Dr. Daryl Burckel, Larry Ferdinand, Mayson H. Foster, Treasurer John N. Kennedy, Ellen M. Lee, Willie Spears, and Guy T. Williams, Jr.).

NO (Matthew P. and Malcolm Young).

The next item discussed was the resolution regarding 4% Non-Competitive Low Income Housing Tax Credits for Renaissance Gateway Apartments, located in Baton Rouge, Louisiana. MC Chair Williams noted that the matter had been discussed earlier, and the Committee was recommending approval thereof.

On a motion by Board Member Guy T. Williams, Jr. and seconded by Board Member Larry Ferdinand, the resolution authorizing the addition of eighty-eight thousand, nine hundred seventy-six dollars (\$88,976.00) in 4% Low Income Housing Tax Credits for a total reservation of one million, thirty-eight thousand, nine hundred seventy-six dollars (\$1,038,976.00) of 4% Low Income Housing Tax Credits to Renaissance Gateway Apartments, #2011-01BF (650 North Ardenwood Drive, Baton Rouge, East Baton Rouge Parish, Louisiana 70806); 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 refunding of Application Fees. MC Chair Williams noted that the Committee had discussed that matter earlier, and had deferred its consideration until the Full Board meeting.

On a motion by Board Member Ellen M. Lee and seconded by Board Member Larry Ferdinand, the Board DEFERRED the matter regarding refunding of Application Fees to certain projects that competed under the 2014 Special Interim qualified Allocation Plan, subject to such refunding as determined by an opinion from the Louisiana Attorney General; 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) ABSTAIN vote by Board Member Mr. Daryl V. Burckel.

Thereafter, Board Members Airhart, Burckel, and Lee requested that ED Tombar draft a policy addressing the aforementioned matter, pending a favorable outcome from the Louisiana Attorney General.

MC Chair Williams noted that the Non-Closed Projects and HOME updates were in the Board binders for review.

SINGLE FAMILY COMMITTEE REPORT.

SF Chairman Matthew Ritchie noted that the Committee met earlier and was recommending of the first resolution regarding Lender/Broker Compensation and the George K. Baum TBA Government Program.

Board Member Guy T. Williams, Jr. read into the record: “I’m the President of Gulf Coast Bank. We own a mortgage company and therefore pursuant to Louisiana Revised Statute 40:600.90(H), I hereby RECUSE myself from participation in the actions of the Corporation and the Board related to the Discussion and Resolution regarding Lender/Broker Compensation and the George K. Baum TBA Government Program, and will REFRAIN from participating in any discussions, voting, and any other action taken by the Board with regards to this matter as I have an indirect interest as President and CEO of Gulf Coast Bank and Trust.”

Board Member Willie Spears read into the record: “I am Willie Spears, Senior Vice President of Red River Bank. Pursuant to Louisiana Revised Statute 40:600.90(H), I hereby RECUSE myself from participation in the actions of the Corporation and the Board related to the Discussion and Resolution regarding Lender/Broker Compensation and the George K. Baum TBA Government Program, and will REFRAIN from participating in any discussions, voting, and any other action taken by the Board with regards to this matter as I have an indirect interest as Senior Vice President and Community Relations Officer of Red River Bank. ”

On a motion by Board Member Matthew P. Ritchie and seconded by Vice-Chairman Mayson H. Foster, the resolution to authorize the Louisiana Housing Corporation (the “Corporation”) to increase Lender/Broker compensation to 2.0% for the current Raymond James TBA Program and to implement the George K. Baum TBA Government Program which would include the 2% Lender/Broker compensation; 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 two (2) ABSTAIN votes by Board Members Willie Spears and Guy T. Williams, Jr.

SF Chair Ritchie advised that the cumulative Delinquency Report for USBank, Standard Mortgage, and Bank of America, along with the other Single Family Program updates were in the Board binders.

SUSTAINABLE HOUSING COMMITTEE

SHC Chairwoman Ellen M. Lee noted that the Committee had not met earlier; that there were no action items; and that updates were in the Board binders.

ASSETS AND INVESTMENTS COMMITTEE REPORT

In the absence of AIC Chairman Dr. Daryl V. Burckel, ED Tombar noted that the Committee had not met earlier, and that there were no action items.

ED Tombar did note that representatives from the Latter and Blum Property Management Company would be present at the April BODM and quarterly thereafter to provide updates on the LHC properties that they manage. He also advised the Board that the occupancy rate at Willowbrook Apartments was at 91%; Village de Jardin at 94%; and that Mid-City Gardens was at 94%.

He also advised that he had the 2nd of a series of meetings at VDJ addressing tenants' concerns, and that he had addressed all but two matters. One concern from the tenants was of a lack of parking spaces, and Mr. Tombar noted that Latter and Blum was performing a cost analysis for creating additional parking spaces.

Chairman Airhart noted that the inclusion of the Dashboard Reports was very beneficial, and that he wanted such reports duplicated across the various programs included in the Board materials.

Treasurer Kennedy inquired on fair market comparisons and appraisals for the various LHC Properties, and requested that he be provided with amount of equity in the three (3) properties as well as the LHC main office building, total cash investment portfolio analysis, a breakdown of the monthly cash investments, including the name of the investment manager, return on investment analysis, and any benchmarks thereof. Additionally, he requested the most recent Quarterly Operating Budget Reports, and any past/present appraisals of the four (4) aforementioned LHC properties.

OTHER BUSINESS

The last action item discussed was the resolution regarding purchasing the LACAP building. ED Tombar went over the specifics of the matter.

There was discussion amongst the Board Members and Mr. Tombar on the matter.

Treasurer Kennedy requested that he be provided with information regarding what LACAP initially paid for the building and what the current appraisal amount is.

Chairman Airhart noted his support for LHC acquiring the LACAP building.

On a motion by Board Member Ellen M. Lee and seconded by Board Member Larry Ferdinand, the resolution authorizing the Louisiana Housing Corporation (“LHC” or “Corporation”) to purchase the LACAP Weatherization Training Facility (“WTF”) located at 11637 Industriplex Boulevard, Baton Rouge, Louisiana 70809 for a purchase price not to exceed one million, twenty-three thousand, thirty-four dollars (\$1,023,034.00); 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 by Treasurer John N. Kennedy.

Chairman Airhart reminder the Board Members of the upcoming Board Governance Training scheduled for early morning of the March 12th Board Meeting, and directed them to contact Secretary Brooks if overnight lodging was needed.

ADJOURNMENT

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

The Full Board meeting adjourned at 1:45 P.M.

Chairman

Secretary