



## **Board of Directors**

### **ADMINISTRATIVE AND FINANCE COMMITTEE**

**March 14, 2018**

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# Louisiana Housing Corporation

March 9, 2018

## **ADMINISTRATIVE AND FINANCE COMMITTEE MEETING**

### **AGENDA**

Notice is hereby given of an **Administrative and Finance Committee ("AFC") Meeting** of the Louisiana Housing Corporation ("LHC/Corporation") Board of Directors ("Board"), to be held on **Wednesday, March 14, 2018 at 10:00 A.M.**, at Louisiana Housing Corporation Building, **V. Jean Butler Board Room**, 2415 Quail Drive, Baton Rouge, Louisiana, by order of the Chairman.

1. Call to Order and Roll Call.
2. Approval of the **Minutes of the October 11, 2017 Administrative and Finance Committee Meeting.**
3. Discussion regarding **LHC Operating Budget versus Actual End of 2<sup>nd</sup> Quarter.**
4. Resolution approving the **LHC Strategic Plan**, and to provide for other matters in connection therewith. Staff recommends approval.
5. Other Business.
6. Adjournment.



Edselle Keith Cunningham, Jr.  
LHC Executive Director

**If you require special services or accommodations, please contact  
Board Coordinator and Secretary Barry E. Brooks  
at (225) 763 8773, or via email [bbrooks@lhc.la.gov](mailto:bbrooks@lhc.la.gov).**

**\*\*Pursuant to the provisions of LSA-R.S. 42:16, upon two-thirds vote of the members present, the Board of Directors of the Louisiana Housing Corporation may choose to enter Executive Session, and by this notice, the Board reserves its right to go into Executive Session, as provided by law.\*\***



## **Board of Directors**

**October 11, 2017**  
**Administrative and Finance**  
**Committee Minutes**

**March 14, 2018**



# Louisiana Housing Corporation

Administrative and Finance Committee Meeting Minutes  
Wednesday, May 10, 2017  
2415 Quail Drive  
V. Jean Butler Board Room  
Baton Rouge, Louisiana 70808  
9:30 A.M.

## **Committee Members Present**

Chairman Elton M. Lagasse  
Willie Rack  
Gillis R. Windham  
Donald B. Vallee

## **Committee Members Absent**

Treasurer Ron J. Henson

## **Staff Present**

E. Keith Cunningham, Jr.  
Leslie Strahan  
Miriam Bowie  
Barry E. Brooks  
Loretta Wallace  
Collette Mathis  
Natasha Joseph-Anderson  
Brad Sweazy

## **Others Present**

See sign-in sheet

## **Board Members Present**

Lloyd S. "Buddy" Spillers  
Tammy P. Earles

## **Board Members Absent**

Michael T. Anderson  
Larry Ferdinand  
Andreanecia M. Morris  
Jennifer Vidrine

Marjorianna Willman  
Rene Landry  
Kevin Brady  
Brenda Evans  
Nicole Sweazy  
Rene' Landry  
Robby Bizot

## **Call to Order and Roll Call**

The Administrative and Finance Committee ("AFC") Meeting was called to order by Committee Chairman Elton M. Lagasse at 9:30a.m. The roll was called by Board Secretary Barry E. Brooks, and a quorum was established.

➤ *Approval of the May 10, 2017 AFC Minutes*

On a motion by Mr. Donald B. Vallee and seconded by Mr. Willie Rack, the Minutes from the May 10, 2017 AFC meeting were unanimously approved.

➤ *Presentation by External Auditors of Audited Financial Statements for the Fiscal Year Ending June 30, 2017.*

There was a presentation by External Auditors Bill Stamm, Michelle Cunningham, Heather Jovanich, and Terri Kitto.

The External Auditors discussed Management's Responsibilities, Auditors' Responsibilities, Summary of Audit Results, and their NO Exceptions Found findings.

They furthered discussed SAPP, General Fund Statement of Net Position, the Graph of General Fund Operating Revenues and Expenses, Combined Statement of Net Position, Mortgage Loan Receivables, Combined Liabilities, the Chart of Combined Operating Receivables and Expenses, Single Audit SEFA, SAPTMP, General Fund Single Audit Results, HOME Program HUD Findings (noting that they perceived that there was a likelihood of repayment by LHC to HUD in the amount of \$2,468.493, but that LHC had implemented new safeguard policies and procedures), Summary of Audit Results for Rental Properties, Statement of New Position for Rental Properties, etc.

Mr. Vallee complimented the External Auditors and CFO Rene' Landry on the presentations and the Audit of NO Findings.

**A motion was made by Mr. Vallee and seconded by Mr. Lagasse to favorably recommend the Audit of NO Findings to the Full Board. The motion passed unanimously.**

➤ *Quarterly Update regarding LHC Properties (Village de Jardin Apartments, Willowbrook Apartments, and Mid-City Gardens Apartments).*

Mr. Frank Sagnibene with Latter & Blum addressed the Board. He noted that Village de Jardin was doing fine (as noted in the External Audit Report), that he felt Mid-City Gardens was problematic with only 86% occupancy, and that Willowbrook Apartments had progressed and was well-placed financially.

Mr. Vallee noted that in his opinion Mid-City Gardens had been a disaster from the beginning and was highly inefficient.

COO Sweazy and ED Cunningham discussed the parameters regarding the use of NSP funds.

Mr. Vallee and Chairman Spillers suggested selling the property unless it benefits LHC's reserves.

ED Cunningham noted it was an NSP funded project and that sale of the property would have to be further analyzed.

COO Sweazy discussed the goal of LHFA when Mid-City Gardens was developed, and advised that if the property were sold the funds thereof would revert back to the State and not to LHC.

There were further discussions amongst the Board and LHC staff regarding the pros and cons of selling the property as related to NSP protocols.

Mr. Lagasse noted that the LHC had a mission of providing affordable housing, and not one to seek making a profit, but likewise not to suffer losses wherein avoidable.

Mr. Sagnibene noted that the property is unique in its location and design, and that once the blighted houses on the exterior of the property are demolished the area would be a positive for good development. He noted he was against "abandoning" the property.

A motion was made by Chairman Spillers and seconded by Mr. Lagasse to do an evaluation of the pros and cons of selling the Mid-City Gardens Apartments property.

Mr. Vallee offered an amended motion to let Latter & Blum evaluate the operating expenses of Mid-City Gardens Apartments. The matter FAILED due to Lack of a Second.

**A motion was made by Chairman Spillers and seconded by Mr. Lagasse to do an evaluation of the pros and cons of selling the Mid-City Gardens Apartments property. The motion passed unanimously.**

Mr. Sagnibene noted that Village de Jardin was at 99% occupancy and had \$500K in reserves.

Mr. Vallee noted his concern regarding management fees, staff salaries, and security guard costs.

➤ **Discussions regarding LHC/LHA Updates and Reports**

LHA Executive Director Nicole Sweazy gave an update on Louisiana Housing Authority matters.

Mr. Vallee noted he felt that the vouchers available were not being fully utilized, and he suggested going state-wide if such was an option.

Ms. Sweazy attributed underutilization of the vouchers to the post-Katrina environment, and also that the target population was in dire need of one-bedroom units which were not in available supply, etc.

Housing Program Administrator Loretta Wallace gave an update on the Energy Programs.

Mr. Vallee inquired on the trainings schedules and DOE audits.

Ms. Wallace noted that trainings were in progress, that she was working diligently with the CAP agencies, and that future available funds were pending allocation by DOE.

Chairman Spillers noted his concern about the LIHEAP funds not being fully expended.

Mr. Vallee noted he felt staff did their best in expending the LIHEAP funds.

Housing Program Administrator Brenda Evans gave an update on the Single Family Programs, discussing Single Family Production, Top Lenders, and the Delinquency Report.

Chairman Spillers suggested using workshops in partnership with Louisiana Realtors Association might increase the activities in the Single Family Programs. Ms. Evans noted she was working on a curriculum for lenders and was doing more Single Family staff development training.

COO Sweazy noted that due to time constraints, the HOME Program Reports would be done during the Full Board Meeting.

#### **Other Business**

None.

#### **Adjournment**

There being no other matters to discuss, Mr. Lagasse offered a motion for adjournment. There being no discussion or opposition, the motion passed unanimously.

**The AFC meeting adjourned at 10:57am.**

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Board Secretary Barry E. Brooks



# **Board of Directors**

**Discussion regarding**

**LHC Operating Budget versus**

**Actual End of 2<sup>nd</sup> Quarter**

**March 14, 2018**

**Louisiana Housing Corporation  
Operating Budget - FY 17/18  
2nd Quarter Ending 12/31/17**

<u>Operating Revenue</u>	<u>Approved BUDGET</u>	<u>Actual 12/31/2017</u>
Home Program & Agency Admin Fees	\$ 1,519,821	\$ 491,361
HUD Disposition Program Income	1,857,544	889,590
LA Housing Authority/Supportive Housing	2,443,130	914,891
Compliance Monitoring LIHTC	234,426	19,088
Multi Family LIHTC Fees, M2M & Risk Sharing	966,000	1,296,159
Multi Family Issuer Fees and MF MRB Fees	320,000	87,363
Energy Programs (LIHEAP & WAP)	1,274,157	533,977
Section 8 Contract Administration	2,292,368	1,669,545
Single Family Homebuyer/Turnkey Program Fees in Lieu of SP Issuer Fee	1,077,900	390,657
Single Family Issuer / Bond Fees	936,397	613,364
Disaster Housing	3,984,838	1,300,976
Miscellaneous Income	14,000	12,250
<b>Total Operating Revenue</b>	<b>\$ 16,920,581</b>	<b>\$ 6,219,220</b>
<u>Operating Expenses</u>		
Human Resources	\$ 12,608,958	\$ 5,216,787
Travel & Training	317,539	129,320
Operating Services	1,423,844	604,621
Building Expenses:		
Supplies	389,664	222,776
Supplies	83,509	26,343
Auditing	150,180	140,180
Legal Services	92,500	37,590
Professional Services	1,541,246	921,831
<b>Total Operating Expenses</b>	<b>\$ 16,607,440</b>	<b>\$ 7,299,448</b>
<b>Excess Revenue Over Expenses From Operations</b>	<b>313,141</b>	<b>919,772</b>
<b>Capital Expenditures</b>	<b>129,600</b>	
<b>Net Excess Revenue Over Expenses</b>	<b>\$ 183,541</b>	<b>\$ 919,772</b>



## **Board of Directors**

**Resolution approving the LHC Strategic Plan for 2017-2020, and to provide for other matters in connection therewith.**

**March 14, 2018**

## LOUISIANA HOUSING CORPORATION

The following resolution was offered by \_\_\_\_\_ and seconded by \_\_\_\_\_:

### RESOLUTION

A resolution adopting the Louisiana Housing Corporation (the "LHC" or "Corporation") Strategic Plan for 2017-2020 (attached as Exhibit A, entitled "Strategic Plan") and providing for other matters in connection therewith.

**WHEREAS**, the Louisiana Housing Corporation ("LHC" or "Corporation") was created by and pursuant to the Louisiana Housing Corporation Act contained in Chapter 3-G of the Louisiana Revised Statutes of 1950, as amended (R.S. 40:600.86 through R.S. 40:600.111); and

**WHEREAS**, the LHC, as authorized by the State of Louisiana pursuant to R.S. 40:600.91(A), shall have the powers necessary or convenient to carry out and effectuate the purpose and provisions of the LHC Act;

**BE IT RESOLVED** by the Board of Directors of the Louisiana Housing Corporation (the "Board"), acting as the governing authority of said Corporation:

**SECTION 1.** The Board hereby adopts the LHC Strategic Plan for 2017-2020 (attached as Exhibit A, entitled "Strategic Plan").

**SECTION 2.** The LHC staff and counsel are authorized and directed to prepare such documents and agreements as may be necessary to implement the LHC Strategic Plan for 2017-2020.

**SECTION 3.** The Chairman, Vice Chairman, and the Secretary of the Board as well as the Executive Director of the LHC are hereby authorized, empowered, and directed to execute any forms and/or documents required to be executed on behalf of and in the name of the LHC the terms of which are to be consistent with the provisions of this resolution.

This resolution having been submitted to a vote, the vote thereon was as follows:

**YEAS:**

**ABSTAIN:**

**NAYS:**

**ABSENT:**

And the resolution was declared adopted on this, the 14<sup>th</sup> day of March , 2018.

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Chairman

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Secretary

**STATE OF LOUISIANA**

**PARISH OF EAST BATON ROUGE**

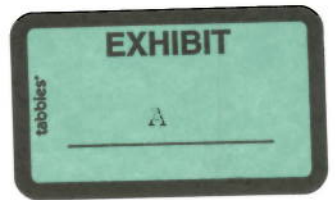
I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation (the "Board"), do hereby certify that the foregoing two (2) pages constitute a true and correct copy of a resolution adopted by said Board on March 14, 2018, entitled: "A resolution adopting the Louisiana Housing Corporation (the "LHC" or "Corporation") Strategic Plan for 2017-2020 (attached as Exhibit A, entitled "Strategic Plan") and providing for other matters in connection therewith. "

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Corporation on this, the 14<sup>th</sup> day of March 2018.

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Secretary

(SEAL)



# Strategic Plan

October 1, 2017 – September 30, 2020

## VISION

*To be recognized as the state-wide housing provider.*

## MISSION

*To ensure that Louisiana residents have access to safe, affordable, energy-efficient housing and related services.*

### GOALS

1. Meet affordable housing and community needs by increasing and preserving housing opportunities for the people of Louisiana.
2. Optimize organizational resources.
3. Forge and strengthen partnerships by developing multi-faceted outreach efforts designed to assess needs by empowering communities to address their priorities.

### OBJECTIVES

1. Refine the ability to ensure property owners and developers build and maintain quality workmanship and comply with all regulatory compliance and financial obligations.
2. Expand cost effective housing opportunities.
3. Create a non-profit organization.
4. Develop and implement an electronic portfolio assessment tool.
5. Align department goals with strategic plan.
6. Increase the use of technology to improve communications and operations internally and externally.
7. Ensure that all departments are staffed efficiently.
8. Invest in the professional development of employees.
9. Optimize facility resources, internally, externally, and electronically.
10. Coordinate statewide comprehensive plan and housing strategy.
11. Foster relationships with entities that share similar missions to increase affordable housing opportunities.
12. Partner with municipalities and parish governments to identify community housing needs, with an emphasis on Smart Growth.
13. Strengthen alliances with educational institutions to expand training and educational opportunities.

### CORE VALUES

Accountability

Collaboration

Commitment

Customer Service

Integrity

Professionalism