



Board of Directors

April 11, 2018

Board Meeting Minutes

May 9, 2018



Louisiana Housing Corporation

A verbatim transcript as well as an audio recording of these proceedings is available upon request by contacting the LHC

LHC Board of Directors

Board Meeting Minutes

Wednesday, April 11, 2018

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

Board Members Present

Lloyd S. "Buddy" Spillers
Jennifer Vidrine
Tammy P. Earles
Derrick Edwards (arrived at 10:21 A.M.)
Thomas Enright (obo Louisiana State Treasurer John M. Schroder)
Larry Ferdinand
Byron L. Lee
Willie Rack
Donald B. Vallee
Gillis R. Windham

Board Members Absent

None

Staff Present

Barry E. Brooks
Edselle Keith Cunningham, Jr.
Bradley Sweazy
Jessica Guinn
Leslie C. Strahan

Terrell Dupard
Miriam Bowie
Nicole Sweazy
Kevin Brady
Natasha Anderson
Na'Tisha Natt
Robby Bizot
Louis Russell
Jatis Harrington
Carlos Dickerson

Others Present

See Guest Sign-In Sheet

CALL TO ORDER

Board Chairman Lloyd S. "Buddy" Spillers called the meeting to order at 10:06 a.m. Board Secretary Barry E. Brooks called the roll; there was a quorum.

APPROVAL OF MINUTES

Next item discussed were the March 14, 2018 Board Meeting Minutes.

On a motion by Board Member Willie Rack and seconded by Board Member Larry Ferdinand, the Minutes of the March 14, 2018 LHC Board of Directors Meeting were unanimously approved.

BOARD CHAIRMAN'S REPORT

Board Chairman Spillers noted that there would be a Special Board of Directors Meeting to approve the 2018 Qualified Allocation Plan ("QAP").

EXECUTIVE DIRECTOR'S REPORT

LHC Executive Director E. Keith Cunningham, Jr. introduced the new LHC Chief Fiscal Officer Carlos Dickerson; noted that April 11th is the 50th anniversary of the signing of the Fair Housing Act, in addition to April being Fair Housing Month; that staff had attended the Mississippi Annual Housing Conference in Biloxi MS on March 27 – 29; he briefly discussed LHC's Rebranding Initiative; noted that Robby Bizot and Cindy Campbell had attended the Program Managers Training Conference hosted by the

Council of State Community Development Agencies (“COSDA”) in Washington DC; that on March 29th LHC had conducted a QAP Policies and Initiative Workshop, and on May 4th had held the QAP Application Review Workshop; that on March 1st the Single Family had launched the Mortgage Revenue Bond (“MRB”) Program; that on March 19th he met with Louisiana State Representative Paula Davis for informational purposes to discuss HB 383 regarding 1st Time Homebuyers; and, that on April 4th he met with East Baton Rouge Parish Councilmember Tara Wicker at Mid-City Gardens regarding a Community Connection Technology Center.

Board Member Larry Ferdinand requested information regarding the MRB lenders.

AGENDA ITEM #5

Next there was a PowerPoint presentation (**available upon request**) by Louisiana Housing Authority Executive Director Nicole Sweazy highlighting the Permanent Supportive Housing (“PSH”) Program.

Among the topics discussed, were: Louisiana PSH Funding Model, Capital, Rental Assistance, Tenancy and Other Supports, 3 Phases of Tenancy Support, PSH Certified Providers, Target Populations, Unit Set Asides, etc. There was also a brief video shown.

Thereafter, Board Member Donald B. Vallee expressed his concern about the lack of vouchers.

Ms. Sweazy noted that she was confident that Louisiana would be issued additional tenant based vouchers, in addition to there being anticipated more funding for 811 Rental Assistance and Capital Development Programs.

Board Member Thomas Enright inquired as to whether veterans were being tracking. Ms. Sweazy noted she’d do further research and provide the number of veterans participating in the PSH Program.

Chairman Spillers inquired on how to more effectively reach areas in the state without permanent supportive service providers. Ms. Sweazy concurred, noting there was definitely a need for more organizations to become PSH certified service providers.

AGENDA ITEM #6

Next item discussed was the resolution regarding the 50th Anniversary of the Fair Housing Act and the month of April being Fair Housing Month.

ED Cunningham and LHC Staff Attorney Terrell Dupard briefly went over the specifics of the matters.

Board Member Vallee suggested LHC reach out to Gary Sweeney with HUD.

On a motion by Board Vice-Chairwoman Jennifer Vidrine and seconded by Board Member Donald B. Vallee, the resolution commemorating the 50th Anniversary of the Fair Housing Act and declaring the month of April, 2018 as “Fair Housing Month”; 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 #7

The next item discussed was the LHC Operating Budget for Fiscal Year 2018-2019.

LHC Chief Operating Officer Bradley Sweazy discussed future budget projections and allocations. He also advised that the goal was to not only show the Board the Operating Budget, but to also have it tied to actual performance goals and objectives.

AGENDA ITEM #8

Next item discussed was the assessment of Mid-City Gardens Apartments.

ED Cunningham noted that the assessment had been done per the Board's previous request; he went over the historical background of Capital City South Apartments which was demolished and rebuilt and renamed Mid-City Gardens Apartments; he discussed the period of affordability requirements; he discussed the Neighborhood Stabilization Program which was the project's funding source; and he discussed the community partnerships in the neighborhood.

Board Member Vallee requested “...Keith, what I would like to see you all comment on at a later date, not necessarily now, is that do you think an outside third party developer that does business with us can manage this property more efficiently and better than we can and can pay us something for it and cut our operating losses.”

ED Cunningham noted “...And I doubt it can ever turn profitable, but I think we can turn it to by reducing cost.” He also noted that the current property management company Latter and Blum was doing a good job.

AGENDA ITEM #9

Next item discussed was the resolution regarding the issuance of \$7.5M MHRB for SBP L9, LLC.

LHC Executive Management Officer Louis Russell went over the specifics of the matter noting it was a scattered sites project; that the project had been awarded during the 2017 Fall NOFA; that there would be sixty (60) units; that total costs per square feet was #133.93; and that staff was recommending approval.

Board Member Vallee inquired as to whether the project had received any opposition to the matter. He also noted that he had "...gotten some letters from some local developers in the area on these lots...and some of the locals did not want multifamily housing in the residential areas...."

COO Sweazy inquired to Board Member Vallee "...Did you send those letter so us?"

Board Member Vallee replied "...I can't. If they didn't present anything at the last meeting, I'm not worried about it."

On a motion by Board Member Donald B. Vallee and seconded by Board Member Gillis R. Windham, the resolution of intention to issue not exceeding Seven Million Five Hundred Thousand Dollars (\$7,500,000) Multifamily Housing Revenue Bonds for SBP L9, LLC (located at 30 scattered site lots in the Lower Ninth Ward in New Orleans, Orleans Parish, Louisiana); in one or more series to finance the acquisition, construction, rehabilitation and equipping of a residential housing development consisting of 30 duplexes within the State of Louisiana; to establish the maximum qualified basis and low-income housing credits to SBP L9, LLC; to authorize 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 #10

Next item discussed was the matter regarding the recommended award for the 2017 Plaquemines Parish NOFA to St. Clair Estates.

EMO Russell went over the specifics of the matter, noting that the project was the only submittal received; that it would consist of 44 units; and that staff was recommending approval thereof.

Mr. Blake Jones addressed the Board, noting that the Plaquemines Parish President was recommending approval of the matter.

Board Member Vallee noted his concerns regarding there being no flood protection in the development's area, the high costs of the project, and that he felt it would be putting people in harm's way.

Mr. Jones noted that the project was beneficial as it was providing affordable housing for those who work in the area; he discussed the proposed safety amenities; and noted that the "...horse is out of the barn on this..."

Board Member Vallee inquired as to why the TDC cap was being waived in the project.

ED Cunningham and COO Sweazy noted that the TDC had not changed in the past several years, and consequently did not accurately reflect the "real costs" of current developments.

Board Member Vallee noted that "...I just want to be fair and consistent and accurate to what we do...."

Board Member Byron Lee noted his admiration for the development stating "...Sir, I've never met you and I don't know you and I'm new to the Board. But let me just say I admire what you're doing. That area down there for those people down there, historically you've had people who have had serious generational ills. And, so housing is a way of being able to restore confidence and be able to provide a mechanism for them to create some generational wealth or be able to through equity send their children to college and live the American dream. I applaud you".

On a motion by Board Member Byron L. Lee and seconded by Board Member Willie Rack, the resolution approving the recommended award for the 2017 Plaquemines Parish (St. Claire Estates, located at Rue St Clair, Braithwaite, Plaquemines Parish, Louisiana 70040); Notice of Funding Availability to a certain residential rental facility; 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.

For the Record, it was noted by Secretary Brooks that Board Members Donald B. Vallee and Larry Ferdinand had left the room and were NOT present for the vote on the aforementioned item.

AGENDA ITEM #11

Next item discussed was a discussion regarding the 2018 Qualified Allocation Plan ("QAP")

Multifamily and Assets Committee Chairman Gillis R. Windham introduced the matter.

He solicited any comments from the Board Members. There were none.

ED Cunningham and COO Sweazy highlighted the public comments received, including but not limited to, total development costs aspects, challenge period appeals process, developer fee limits, minimum scores for 4% only, negative neighborhood features for new constructions, de-concentration aspects, etc.

Board Member Vallee noted his concern for costs to the end user, stating "...we need more affordable housing."

ED Cunningham noted LHC would continue to stage its resources to effectively address the state's affordable housing issues and strive to preserve the existing housing stock.

MAC Chairman Windham stated "...Two years ago we made a commitment that we would fine tune these programs and go make them more user friendly for the developers, greater access for the recipient, and still stay within the perimeters of the loan guidelines. And I think we've made great steps and we're not going to satisfy every problem with what we've done so far, and I know the people we will continue to re-evaluate each one."

MAC Chairman Windham solicited comments from any of the public in attendance.

Kelly Longwell with Coats Rose addressed the Board. She inquired as to whether the "specific purposes" would be outlined in the QAP or be decided on a case-by-case basis.

COO Sweazy replied "...No. It will be outlined in the QAP."

Charles Tate addressed the Board. He inquired as to why a non-profit doing a rural preservation project has to "...chose one of the boxes and not choose all three?"; why there were "...points if preserving housing in a poor neighborhood versus a housing that's not?"; and inquired on the points deducted for projects being built near a sewer plant.

Vice-Chairwoman Vidrine concurred with Mr. Tate noting her concern that developments being built within one-half mile of a sewer plant would be applicable to most small towns.

Mr. Russell noted that research noted minimal impact regarding the aforementioned parameter.

Vice-Chairwoman Vidrine reiterated her lack of support for deducting points for developments built within one-half mile of a sewer plant.

ED Cunningham noted that the goal was to be in sync with HUD regulations, and that he would confer with the LHC Environmental Group on the matter.

Board Member Lee suggested exceptions should be considered for smaller municipalities and areas.

David Harms with GCHP addressed the Board and discussed the increase in minimum unit size and lack of points for covered parking.

Kerry Banks with Bon Chasse Properties addressed the Board and discussed the lack of PSH service providers.

LHA ED Sweazy noted that locations can be evaluated in advance of submitting applications as related to PSH service providers.

AGENDA ITEM #12

Next item discussed was the resolution matter regarding the LHC Housing Conference.

LHC Director of Public Affairs Na'Tisha Natt gave an overview of the matter, noting it would be a three (3) day conference in Baton Rouge at the Baton Rouge Marriott Hotel, and that there would be session topics and roundtable discussions. Additionally, she discussed the estimated budget being based on 80% revenues and 20% sponsorship fees.

ED Cunningham noted the goal was not to have a competitive conference with any of LHC's external partners.

Board Member Vallee noted his concern for the estimated \$100K costs; that he wanted a more concrete plan; and he advocated the use of more webinars.

Board Member Thomas Enright inquired as to whether any public dollars would be allocated.

ED Cunningham replied that the goal was to not use public funds wherein possible.

Ms. Natt noted that the estimated \$100K budget was based on a survey of fellow HFAs and was the industry standard for similar events.

Vice-Chairwoman advocated that abandoned and blighted property be one of the roundtable session discussions.

Board Member Earles inquired as to whether the registration fee was reasonable and what the costs contingency plan was should there be less than 400 attendees.

ED Cunningham replied that he felt the registration fee was reasonable, but that LHC might have to incur additional costs if the estimated attendance was less than anticipated. But that overall, he felt the event would be cost neutral to LHC.

Board Member Larry Ferdinand suggested adjudicated property as a session topic discussion.

Board Member Enright noted his hesitant support for the event given the unsureness of how much in public funds would be expended.

Terri North with LAAHP addressed the Board and noted the group's concern that both the LAAHP and the LHC conferences would be scheduled in the same month of October. She offered that LAAHP would prefer to partner with LHC than to have competing events.

ED Cunningham advised the Board that the LHC and LAAHP had a meeting scheduled next day to discuss any available options for conference partnering.

On a motion by Board Chairman Lloyd Spillers and seconded by Board Member Donald B. Vallee, the Board DEFERRED until the April 23, 2018 Special Board Meeting approving the LHC Housing Conference; 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.

OTHER BUSINESS

None.

ADJOURNMENT

There being no other matters to discuss, Board Member Larry Ferdinand offered a motion for adjournment that was seconded by Board Member Byron L. Lee. There being no discussion or opposition, the motion passed unanimously.

The Full Board meeting adjourned at 12:29 p.m.

Chairman

Secretary