



Louisiana Housing
Corporation

Board of Directors

Minutes of the

September 11, 2019

Multifamily and Assets

Committee Meeting

October 9, 2019



Louisiana Housing Corporation

An audio recording of these proceedings is available upon request by contacting the LHC

LHC Board of Directors

Multifamily and Assets Committee ("MAC") Meeting Minutes

Wednesday, September 11, 2019

2415 Quail Drive
V. Jean Butler Board Room
Baton Rouge, LA 70808
10:30 A.M.

MAC Members Present

Gillis R. Windham (Committee Chairman)
Derrick Edwards (arrived @ 10:45 A.M.)
Stacy S. Head
Byron L. Lee (arrived at 11:11 A.M.)
Willie Rack

MAC Members Absent

Larry Ferdinand

Board Members Present

Renee Free' obo La. State Treasurer John M. Schroder
Donald B. Vallee
Jennifer Vidrine
Lloyd "Buddy" Spillers

Board Members Absent

Tammy P. Earles

Staff Present

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

Miriam Bowie
Terrell Dupard
Linda Rushing
Lionel Dennis
Wendy Hall
Winona Connor
Ray Rodriguez

Others Present

See Guest Sign-In Sheet

CALL TO ORDER

MAC Chairman Gillis R. Windham called the meeting to order at 10:31am. Board Secretary Barry E. Brooks called the roll; there was a quorum.

APPROVAL OF MINUTES

Next item discussed was the May 22, 2019 MAC Meeting Minutes.

On a motion by Mr. Rack and seconded by Ms. Vidrine, the Minutes of the May 22, 2019 LHC MAC Meeting were unanimously approved.

AGENDA ITEM #3 -- Risk-Sharing Pilot Loan

Next item discussed as the Resolution reactivating the Multifamily Risk-Sharing Program.

LHC Executive Director E. Keith Cunningham, Jr. went over the specifics.

LHC Bond Counsel Wayne Neveu provided additional in-depth discussions on the matter.

Mr. Vallee inquired on LHC's exposure and the status of previous related loans.

ED Cunningham noted that past matters have been addressed with HUD.

Mr. Neveu noted that all previous risk properties had been paid and LHC profited from participating in the program. Additionally, Mr. Neveu gave a historical background on the Risk Sharing Program, and noted the many benefits of the Program.

Ms. Head noted her concerns about promises from developers to LHC for affordability, thereafter towards the end it appears LHC is double enriching the developer and "...propping them up".

Mr. Cunningham noted that the long-term effect is that over the 15-year span things change, and LHC must be responsive to the project's longevity and affordable use.

Mr. Neveu noted that Risk-Share loans will only refinance existing debt, and would not "prop-up" the developers.

Mr. Windham advocated the Board's previous commitment to spend more on affordable housing initiatives.

Mr. Vallee suggested deferring the matter until the October BODM to allow more comments from the Board as well as from the public.

Mr. Edwards noted that he was not in support of deferring the matter.

On a motion by Mr. Spillers and seconded by Mr. Edwards, the MAC approved recommending to the Full Board FAVORABLE approval of the Risk-Sharing Pilot Initiative. The Vote Call was as follows: YES: Windham, Edwards, Rack, Free, Vidrine, Spillers. NO: Head, Vallee.

AGENDA ITEM #4 – Cypress Pointe Project

Next item discussed was the resolution regarding \$500K for Cypress Pointe Project located in Bogalusa LA.

LHC Housing Finance Specialist Wendy Hall introduced the matter and went over the specifics, noting staff was recommending approval thereof.

On a motion by Mr. Vallee and seconded by Ms. Vidrine, the MAC unanimously approved recommending to the Full Board FAVORABLE approval of the Cypress Pointe Project matter.

AGENDA ITEM #5 – Lake Forest Manor

Next item discussed was the resolution regarding \$22M MHRB for Lake Forest Manor located in New Orleans LA.

LHC Housing Finance Specialist Wendy Hall introduced the matter and went over the specifics, noting staff was recommending approval thereof.

There were further discussions on the matter.

Ms. Kelly Longwell addressed the Board and discussed the project developer.

Mr. Vallee inquired on the need for elderly housing in a 14-story complex as opposed to a ground-level building.

LHC Chief Operating Officer Bradley Sweazy advised that independent market studies were available to support the project.

Mr. Vallee requested a copy of the aforementioned market study. Ms. Free concurred in the request thereof.

ED Cunningham advised that every development has complete due diligence done, and that each deal is evaluated via third-party market studies, as well as by the LHC Housing Needs Assessment Report that was done by the LHC Public Administration Department.

Mr. Edwards stressed to the Board that the bulk of their questions and inquiries are easily answered by reviewing the Board Materials that are sent out to the Board Members in advance of the Board Meetings.

On a motion by Ms. Vidrine and seconded by Mr. Edwards, the MAC approved recommending to the Full Board FAVORABLE approval of the Lake Forest Manor matter. There were two (2) NO Votes: Mr. Vallee and Mr. Edwards.

AGENDA ITEM #6 – Morningside at Juban Lakes

Next item discussed was the resolution regarding \$14M MHRB for Morningside at Juban lakes located in Denham Springs LA.

On a motion by Mr. Vallee and seconded by Mr. Spillers, the MAC unanimously approved recommending to the Full Board FAVORABLE approval of the Morningside at Juban Lakes matter.

AGENDA ITEM #7 – Reveal New Orleans

Next item discussed was the resolution regarding \$25M MHRB for Reveal New Orleans LLC located in New Orleans LA.

Mr. Vallee requested the market study for the project.

Mr. Cunningham reiterated that the market studies are valid and did not need any additional review, and that all market studies are reviewed uniformly.

Mr. Edwards noted that it was "...not the job of the Board" to critique market studies.

Ms. Free noted that she felt the review of the market study for this particular project was a valid request.

On a motion by Mr. Spillers and seconded by Mr. Edwards, the MAC approved recommending to the Full Board FAVORABLE approval of the Reveal New Orleans matter. There were one (1) NO Votes: Mr. Vallee.

AGENDA ITEM #8 – Stone Vista Apartments II

Next item discussed was the resolution regarding Stone Vista Apartments II located in Shreveport.

On a motion by Mr. Vallee and seconded by Mr. Lee, the MAC unanimously approved recommending to the Full Board FAVORABLE approval of the Stone Vista Apartments II matter.

AGENDA ITEM #9 – Pine Hill Estates II

Next item discussed was the resolution regarding Pine Hill Estates II located in Shreveport.

On a motion by Mr. Vallee and seconded by Mr. Edwards, the MAC unanimously approved recommending to the Full Board FAVORABLE approval of the Pine Hill Estates II matter.

AGENDA ITEM #10 – Winnfield Housing Partners

Next item discussed was the resolution regarding Winnfield Housing Partners LLC located in Winnfield LA.

On a motion by Mr. Vallee and seconded by Mr. Edwards, the MAC unanimously approved recommending to the Full Board FAVORABLE approval of the Winnfield Housing Partners LLC matter, subject to typo correction in the resolution deleting the city as both New Orleans and Winnfield, and correcting such to Winnfield LA.

AGENDA ITEM #11 – Elysian III

Next item discussed was the resolution regarding Elysian III located in Baton Rouge LA.

On a motion by Mr. Vallee and seconded by Mr. Edwards, the MAC unanimously approved recommending to the Full Board FAVORABLE approval of the Elysian III matter.

OTHER BUSINESS

Mr. Spillers suggested to the development community that they be ready to discuss their project(s) whenever they appear on the State Bond Commission agenda.

Mr. Vallee requested an update on Open Projects at the October BODM. ED Cunningham advised such would be provided.

ADJOURNMENT

There being no other matters to discuss, Mr. Windham moved for adjournment.

The MAC meeting adjourned at 11:21 a.m.

Barry E. Brooks, LHC Board of Directors Secretary