



# Louisiana Housing Corporation

**LHC Board of Directors**

**Board Meeting Minutes**

**Wednesday, September 11, 2013**

**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  
Matthew P. Ritchie  
Guy T. Williams, Jr.  
Malcolm Young  
Willie Spears

**Board Members Absent**

Ellen M. Lee

**Staff Present**

Fred Tombar  
Bradley Sweazy  
Barry E. Brooks  
Rene' Landry  
Danny Veals  
Terry Holden  
Todd Folse  
Edselle Keith Cunningham, Jr.  
Leslie C. Strahan

Jessica Guinn  
Victoria Hilton  
Collette Mathis  
Marjorianna Willman

**Others Present**

See Guest Sign-In Sheet

**CALL TO ORDER**

LHC Board Chairman Michael L. Airhart called the meeting to order at 12:12 pm. Board Secretary Barry E. Brooks called the roll; there was a quorum.

**APPROVAL OF MINUTES**

**On a motion by Board Member Malcolm Young and seconded by Board Member Larry Ferdinand, the Minutes of the August 14, 2013 LHC Board of Directors meeting were approved unanimously.**

**LHC BOARD CHAIRMAN'S REPORT**

Board Chairman Michael L. Airhart took a moment to recognize the victims and the heroes in acknowledgement of the 12<sup>th</sup> Anniversary of the September 11, 2001 terrorist attacks; and he noted that Village de Jardin and MidCity Gardens Apartments had both received a Rose Award from the American Institute of Architects.

It was noted for the record, the arrival of Treasurer John N. Kennedy to the Full Board Meeting at 12:15pm.

**LHC EXECUTIVE DIRECTOR'S REPORT**

ED Fred Tombar noted that New Orleans was one (1) of ten (10) cities that had been targeted by HUD to end chronic homelessness by housing at least 200 families by 2015, and New Orleans had actually exceeded the goal by housing 244; that he had recently met with the officials from the Federal Home Loan Bank of Dallas and was looking forward to a synergetic relationship with them; that LHC had completed its project with the Saint John Housing Authority in preparations of their upcoming HUD audit; that LHC is working with Louisiana energy providers to get supplemental monies for the LIHEAP; and that HUD and Federal Reserve Bank will be co-partnering with LHC on upcoming housing-related training matters.

### **MULTIFAMILY COMMITTEE REPORT**

MC Chairman Guy T. Williams, Jr. noted that the Committee met earlier and recommended approval of the resolution regarding Guste Homes III.

LHC Program Manager Marjorianna Willman went over the specifics of the matter.

There was lengthy discussion on the matter by Treasurer Kennedy and HANO Administrator David Gilmore.

Treasurer Kennedy inquired as to whether the project would concentrate poverty.

Mr. Gilmore noted that the project would be 30% smaller in density from the original structure; he noted the transformation of New Orleans' public housing environment from previous concentration of poverty to current mixed-use and mixed-income housing portfolio. He noted that the \$190K per unit costs was due to regulatory and statutory needs, site preparations, environmental concerns and remediation; that since HANO was the actual developer and any profits would be plowed back into the project, the costs would actually be around \$33K per unit; and that he was very proud and happy about the project.

**On a motion by Board Member Guy T. Williams, Jr. and seconded by Board Member Larry Ferdinand, the resolution accepting the proposal of Capital One N.A. or such other purchaser as may be designated by the Developer for the purchase of not to exceed thirty million dollars (\$30,000,000) Louisiana Housing Corporation Multifamily Housing Revenue Bonds (Guste Homes III Project) 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 comments, a Roll Call Vote was taken at the request of Treasurer Kennedy, and the motion PASSED via 6 (YES) to 2 (NO). The votes were as follows:**

**YES (Dr. Daryl Burckel, Larry Ferdinand, Mayson H. Foster, Matthew P. Ritchie, Willie Spears, and Guy T. Williams, Jr.).**

**NO (Treasurer John N. Kennedy and Malcolm Young).**

Next item discussed was the resolution approving the issuance of \$1,854,653 in 4% Non-Competitive Low-Income Housing Tax Credits to Guste Homes III, #1112-01BF (1301 Simon Bolivar Avenue, New Orleans, Orleans Parish, Louisiana).

**On a motion by Board Member Guy T. Williams, Jr. and seconded by Board Member Larry Ferdinand, the resolution authorizing and approving the issuance of one million, eight hundred fifty-four thousand, six hundred fifty-three dollars (\$1,854,653) in 4% Non-Competitive Low-Income Housing Tax Credits to Guste Homes III, #1112-01BF, located at 1301 Simon Bolivar Ave., New Orleans, Orleans Parish, Louisiana; authorizing the Louisiana Housing Corporation (the "Corporation") 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 comments, a Roll Call Vote was taken at the request of Treasurer Kennedy, and the motion PASSED via 5 (YES) to 3 (NO). The votes were as follows:**

**YES (Dr. Daryl Burckel, Larry Ferdinand, Mayson H. Foster, Willie Spears, and Guy T. Williams, Jr.).**

**NO (Treasurer John N. Kennedy, Matthew P. Ritchie, and Malcolm Young).**

Next item discussed was the resolution regarding Douglas & Andry.

Ms. Willman went over the specifics of the matter.

Thereafter, there were lengthy discussions amongst the Board Members, LHC Staff, Michelle Pine from Global Green USA, Victoria Welch from Gulf Cost Housing Partnership, and Tommy LaTour from the Office of Community Development regarding, but not limited to, flood maps, the Global Green Board Members, cost per unit and per square foot, developer's fees, letter of approval, necessity of the project, cost justifications, etc.

Treasurer Kennedy noted that he felt the project was a total waste of money and that he'd be contacting Governor Jindal and Senator Vitter to ascertain if they did in fact support the project.

Board Member Williams advised that he'd be voting for the project, that the matter had been previously approved by the LHFA Board of Commissioners; that Global Green had applied for funding based on the specified award criteria as requested and had actually cut their costs from their original submission; that he agrees it is an expensive project and that the new LHC QAP will address cutting costs; and in conclusion, that the current developers did what was asked of them; that the project is good for the neighborhood; and that the project should be approved.

Chairman Airhart inquired as to whether there were any public comments on the matter.

Ms. Pearl Cantrell addressed the Board, advising that she lives in the Lower Ninth Ward area of New Orleans East and that she was concerned about the \$329 per square foot project to be built; and that she felt if the community was aware of the situation that they would ask the Board to not approve the project.

Ms. Linda Stone, New Orleans Director of Global Green, addressed the Board noting that they were making very positive contributions to the community and that the project did in fact have the support of everybody in the neighborhood.

**On a motion by Board Member Guy T. Williams, Jr. and seconded by Board Member Malcolm Young, A resolution authorizing and approving the issuance of one hundred fifty-one thousand, five hundred sixty dollars (\$151,560.00) in 4% Non-Competitive Low-Income Housing Tax Credits to Douglas & Andry apartments, located at 5413 N. Peters Street, New Orleans, Orleans Parish, Louisiana and reaffirmation of bond resolutions adopted by the Louisiana Housing Finance Agency, now the Louisiana Housing Corporation (the "Corporation"); authorizing the Corporation 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 comments, a Roll Call Vote was taken at the request of Chairman Airhart, and the motion FAILED via 2 (YES) to 6 (NO). The votes were as follows:**

**YES (Larry Ferdinand and Guy T. Williams, Jr.).**

**NO (Dr. Daryl Burckel, Mayson H. Foster, John N. Kennedy, Matthew P. Ritchie, Willie Spears, and Malcolm Young).**

The next item discussed was a resolution regarding 4% LITHC for Cyrus Homes.

Ms. Willman went over the specifics of the matter.

**On a motion by Board Member Guy T. Williams, Jr. and seconded by Dr. Daryl Burckel, the resolution establishing the maximum qualified basis and low-income housing credits to Cyrus Homes, located at 939 McKinley Street, Jennings, Louisiana; authorizing the Louisiana Housing Corporation (the "Corporation") staff and counsel to prepare the forms of such documents and agreements as may be necessary to allocate 4% Low Income Housing Tax Credits and CDBG Funds 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.**

Next item discussed was the resolution regarding \$6,205,000 MHRB to Beechgrove Apartments Project.

**On a motion by Board Member Guy T. Williams, Jr. and seconded by Vice-Chairman Mayson H. Foster, the resolution of intention to issue not exceeding Six Million Two Hundred Five Thousand Dollars (\$6,205,000) Multifamily Housing Revenue Bonds to Beechgrove Apartments Project (900-946 Beechgrove Boulevard, Westwego, Jefferson Parish, Louisiana) in one or more series to finance the acquisition, construction, rehabilitation and equipping of a multifamily housing development within the State of Louisiana; 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.**

Board Secretary Barry E. Brooks advised Chairman Airhart that only one of the two resolutions related to Cyprus Homes had been ratified.

**On a motion by Board Member Guy T. Williams and seconded by Vice-Chairman Mayson H. Foster, the resolution of intention to issue not exceeding four million five hundred thousand dollars (\$4,500,000) Multifamily Housing Revenue Bonds (Cyprus Homes Project) in one or more series to finance the acquisition, construction and equipping of a multifamily housing development within the State of Louisiana; 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.**

Next item discussed was the resolution regarding \$11,015,000 of MHRB to Holy Family Apartments.

MC Chair Williams went over the specifics.

There was a brief discussion between Treasurer Kennedy and Mr. Charles Tate regarding how Mr. Tate was able to keep his development costs low.

**On a motion by Board Member Guy T. Williams and seconded by Board Member Willie Spears, the resolution of intention to issue not exceeding eleven million fifteen thousand dollars (\$11,015,000) Multifamily Housing Revenue Bonds (Holy Family Apartments Project) in one or more series to finance the acquisition, construction, rehabilitation and equipping of a multifamily housing development within the State of Louisiana; 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.**

Next item discussed was the resolution regarding issuing 4% LIHTC to Holy Family Apartments.

**On a motion by Board Member Guy T. Williams, Jr. and seconded by Board Member Willie Spears, the resolution establishing the maximum qualified basis and Low Income Housing Tax Credits to Holy Family Apartments, located at 1512 Louisiana Ave., Lafayette, Lafayette Parish, Louisiana; authorizing the Louisiana Housing Corporation (the "Corporation") 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.**

Ms. Willman noted that the 2014 LIHTC Applications, Non-Closed Projects, Non-Compliant Developers, and HOME Updates were in the Board binders for review.

#### **SINGLE FAMILY COMMITTEE REPORT**

SF Chairman Matthew Ritchie noted that the Committee had not met earlier, and had no action items, and that the Single Family Program Updates were in the Board binders for review.

Single Family Program Manager Mary Antoon briefly discussed the Bank of America (17.39%), US Bank (8.70%) and Standard Mortgage (18.946) Delinquency Rates.

#### **SUSTAINABLE HOUSING COMMITTEE**

In the absence of SHC Chairwoman Ellen M. Lee, Board Chairman Airhart chaired the SHC and noted that the Committee met earlier, and that Program Updates were in the Board binders.

Next item discussed was the resolution regarding St. Bernard II and St. Bernard Manor.

Program Administrator Loretta Wallace went over the specifics of the matter.

**On a motion by Vice-Chairman Mayson H. Foster and seconded by Board Member Malcolm Young, the resolution authorizing and directing staff and counsel to extinguish the existing Mortgage and Regulatory Liens at the prior site for St. Bernard II (located at 2300 Archbishop Hannan Blvd., Meraux, Louisiana), and to transfer the site to St. Bernard Manor (located at 2400 Archbishop Hannan Blvd., Meraux, Louisiana) to construct a Multipurpose Building thereon for the elderly residents of St. Bernard Manor; 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.**

Ms. Wallace advised that the Energy Program Activity Reports were in the Board binder for review; that ARRA was being closed out by September 30<sup>th</sup> with all funds having been expended; that LIHEAP funds would be spent by September 30<sup>th</sup>; and that the 2014 LIHEAP allocations were still pending disbursement.

Treasurer Kennedy inquired as to the administrative costs associated with LIHEAP.

Ms. Wallace noted that LHC receives 1% of the grant amount, 1.5% goes to LACAP, and 7.5% goes to the LACAP agencies.

Chairman Airhart requested the Innovation Committee explore the options for a Cooperative Endeavour Agreement and present to the Board at the October 2013 Board Meeting.

ED Tombar advised that he already had staff working on a cost benefits analysis of the matter, in addition to looking at better reporting, who was being served and related allocation amounts.

Louisiana Housing Authority Administrator Nicole Sweazy noted that the LHA Reports were in the Board binder for review.

#### **ADMINISTRATIVE COMMITTEE REPORT**

AC Chairman Malcolm Young noted that the Committee met earlier and discussed the resolution approving the LHC Strategic Plan for 2013-2016, noting that the Committee was recommending approval of the resolution.

**On a motion by Board Member Malcolm Young and seconded by Vice-Chairman Mayson H. Foster, the resolution adopting the Louisiana Housing Corporation (the "LHC" or "Corporation") Strategic Plan for 2013-2016 (attached as Exhibit A, entitled "Louisiana Housing Corporation 2013-2016 Strategic 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.**

#### **ASSETS AND INVESTMENTS COMMITTEE REPORT**

AIC Chairman Dr. Daryl V. Burckel noted that the Committee had not met earlier, and had not action items.

Ms. Wallace advised the Board that the occupancy rate at Willowbrook Apartments was at 95% (386/408 units occupied), Village de Jardin at 98% (219/224), and MidCity Gardens at 90% (49 out of 60).



**OTHER BUSINESS**

There was a lengthy discussion with Chuck Nassauer and Bob Hughes of LACAN regarding the LHC Weatherization Assistance Program Contract. They discussed their involvement with WAP and went over some of the services provided. They also discussed the pros and cons of the current LACAP process and involvement thereof.

Treasurer Kennedy requested that the proposals, scoring sheets, etc., regarding how LACAN was selected be sent to him for review.

LHC Chief Operating Officer advised every one of the recent death of "the voice of LHC" Ms. Donna Wray who served as the Corporations receptionist. She will be dearly missed by everyone!!

Treasurer Kennedy requested an update on when The Shaw Group would be returning the monies that were allegedly miscalculated. Program Administrator Janel Young advised that \$46,800 was being retained and that \$22,932 was being requested from the 2013 session audit incident, in total LHC would recover \$68,000.

Treasurer Kennedy requested that Executive Counsel Keith Cunningham contact that US Attorney's Office and the FBI to compare the reports; and that the Board meet in Executive Session at a later date to review the matters.

Chairman Airhart concurred on Treasurer Kennedy's aforementioned request.


**ADJOURNMENT**

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

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



Chairman



Secretary