

BOBBY JINDAL
GOVERNOR



DON J. HUTCHINSON
INTERIM EXECUTIVE DIRECTOR

Louisiana Housing Corporation

LHC Board of Directors

Board Meeting Minutes

Wednesday, June 13, 2012

**2415 Quail Drive
V. Jean Butler Board Room
Baton Rouge, LA 70808
11:00 A.M.**

Board Members Present

Michael L. Airhart
Dr. Daryl V. Burckel
Mayson H. Foster
Alice Washington
Treasurer John N. Kennedy (arrived at 11:17 a.m.)
Ellen M. Lee (arrived at 11:29 a.m.)
Matthew P. Ritchie
Guy T. Williams, Jr.

Board Members Absent

Willie Spears
Malcolm Young

Staff Present

Don J. Hutchinson
Bradley Sweazy
Barry E. Brooks
Brenda Evans
Charlette Minor
Rene Landry
Danny Veals
Jeff DeGraff
Terry Holden
Todd Folse

Natasha Anderson
Edselle Keith Cunningham, Jr.
Christine Bratkowski
Leslie C. Strahan
Jessica Guinn
Victoria Hilton

Others Present

See Guest Sign-In Sheet

CALL TO ORDER

LHC Board Chairman Michael L. Airhart called the meeting to order at 11:11 a.m. Board Secretary Barry E. Brooks called the roll; there was a quorum.

APPROVAL OF MINUTES

Board Member Matthew P. Ritchie requested clarity in the May 9th BODM Minutes reflecting he had been appointed as Chair of the Asset Management Group. It was discussed that the minutes would be reflected as "Chairman Airhart requested that Board Member Matthew Ritchie consider taking on the role of LHC Board Asset Management Director. In this role, Mr. Ritchie would be overseeing the Agency's apartment complexes and all other assets thereof, similar to the former LHFA Board Asset Management Committee Chair's role."

On a motion by Board Member Dr. Daryl Burckel, seconded by Board Member Alice Washington, the Minutes of the May 9, 2012 LHC Board Meeting were approved unanimously, subject to the aforementioned clarification.

LHC BOARD CHAIRMAN'S REPORT

Board Chairman Michael L. Airhart advised everyone that Board Member Frank H. Thaxton, III, had resigned from the Board, and that his service to the Board would be acknowledged at an upcoming meeting.

Chairman Airhart introduced new Board Member Mr. Willie Spears. He advised that Mr. Spears had been sworn-in the previous week, but was unable to attend today's meeting.

Chairman Airhart also reminded everyone of the upcoming July 10th Board Strategic Planning Session. He also noted that the Strategic Planning Facilitator would be selected by the Scoring Committee comprised of LHC Interim Executive Director Don Hutchinson, Chief Operations Officer Bradley Sweazy, Board Secretary Barry Brooks, and Board Member Malcolm Young.

LHC INTERIM EXECUTIVE DIRECTOR'S REPORT

IED Don J. Hutchinson reported on the following items:

Attended Events:

- Participated in the May 25th Louisiana Realtors Association's "Introduction to Bond Deals and Available Louisiana Programs" webinar. This webinar was a follow-up to the idea of Board Member Malcolm Young to inform Louisiana Realtors of programs and products offered by LHC.
- Chairman Airhart and staff leadership met with US Interagency Council on Homelessness Regional Coordinator, Michael DeVos, on May 29th while he was in Baton Rouge touring the One Stop Homeless Services Center on North 17th Street.
- The Agency participated in the Mid-City Redevelopment Alliance Homeownership Fair on June 9th in Baton Rouge to provide information to assist individuals with steps and opportunities for home ownership. Approximately 40 potential homebuyers attended.
- Participated in Radiant Blossoms "Homewarming Celebration" and tour of homes on June 4th on South Rampart Street in New Orleans along with Board Member Guy Williams; our agency provided approximately \$1.4 million in NSP funds to the project.
- Participated in the Blue Plate Lofts Grand Opening Celebration on June 7th at the newly renovated complex on South Jefferson Davis Parkway in New Orleans. **LHC provided 4% tax credits and bonds.** This project has a waiting list in excess of 1,000. IED Hutchinson represented LHC at this well attended event.
- Chairman M. Airhart led the team from LHC and **toured the Village De Jardin complex on Monday June 11th.** Participants included Bradley Sweazy, Keith Cunningham, Todd Folse, Victoria Hilton, and IED Hutchinson. Following the tour, the group met with Latter and Blum representatives to discuss current occupancy, Health Unit, security, and the path forward for leasing the property.

Announcements:

New Board Member: Mr. Willie Spears was sworn in on Friday, June 8, 2012.

LHFA was nominated for the Secretary of Defense Employer Support Freedom Award in recognition of its exemplary support of National Guard and Reserve Employees. The 2 employees are **Danny Veals** (I T Director) and **Konchetta Bringier** (Internal Audit). Huge thanks to both of them *for their nomination and recognition to our agency.*

- **On June 7th**, staff completed and submitted LHC's response to HUD's NOFA for the **Section 8 Contract Administration program**, well ahead of the scheduled deadline. IED Hutchinson commended staff for the hard work and cooperation shown in putting this proposal together. The program is an **important revenue generating program for the LHC**. IED Hutchinson and staff will make sure the board stays informed as this proposal proceeds through HUD's review process.
- **Flag Raising Ceremony** -- July 2nd 10 a.m. at the front of the building to promote the birth of the New Corporation.
- **LHC Strategic Planning Session** Scheduled for Tuesday, July 10 2012 at Lod Cook/LSU Campus. Contact Barry Brooks regarding overnight logistics.

Vetting potential facilitators for LHC Board Strategic Plan Retreat (Sent Request to 7 Firms that were recommended or indicated an interest). Two firms responded (SSA and PSG). The other five firms did not provide requested information.

- NCSHA 2012 Housing Tax Credit Conference in Denver, Colorado **Attendees:** Matthew Richie, Malcolm Young, Brenda Evans, Don Hutchinson
- **Legislative Update** on pending bills affecting LHC at 2012 Regular Legislative Session

HB 822 - Rep. Fannin -- Transfer and Deposit \$11 million from LHFA (approved by legislature, awaiting signature of Governor)

Mortgage Settlement Fund -- \$22 million total (**\$7 million** (Senate Initiative Projects), **\$6 million** (Attorney General), **\$9 million** (escrow/parking lot))

SB 714 - Sen. Broome – added the language this gives the agency the flexibility it needs to operate its current bank of programs as well as programs that may be identified in the future; definition of low and moderate income *“as determined from time to time by our corporation’s board of directors in a manner consistent with federal housing programs”*. The change makes the definition of low-moderate more inclusive of all programs that the corporation administers. This legislation provides greater ability to provide a multitude of programs to assist low to moderate citizens

- **Process Improvement Update:** Reznick Group has been on board for a few weeks. RG is documenting the Agency's processes and file systems, identifying bottlenecks, standardization, process improvements, streamlining, etc.

Chairman Airhart encouraged the Board to advocate Process Improvements with Reznick, noting that one of the goals for LHC is to be a top 10 HFA; he also noted that the tour of Village de Jardin was very good, and that the project would be a “beacon of affordable housing”, and

encouraged the Board to take a tour also; and finally he thanked Danny Veals and Konchetta Bringier for their military service to the country.

Agenda Item #5 – Discussion Regarding LSH Health Sciences Center Clinic at Village de Jardin

There was a PowerPoint presentation by Dr. Shelley Jeanfreau of LSUHSC. Included in her presentation were: the HRSA grant parameters; LSUHSC organization hierarchy; that the Clinic is part of National Model to provide a Nurse Managed Clinic for the elderly; that the goal was 571 clinical users with 100 Nursing Students; that they've currently achieved only 1 clinic user; the Action Plan to eliminate barriers; strategies to increase numbers, accreditation and safety/security standards; the Clinic's contribution and Outreach Programs; the Clinic's continued presence; and a discussion of how the examination rooms are designed for the elderly.

There were lengthy discussions regarding the "original intent" of the Clinic amongst the Board, Dr. Jeanfreau, LHC staff member Todd Folse, and General Counsel Keith Cunningham.

Thereafter, Chairman Airhart requested that the matter be revisited at the July 11th Board Meeting along with options including how best to provide adequate security to the residents.

Chairman Airhart acknowledged for the record the presence of Board Members Treasurer John N. Kennedy and Ellen M. Lee.

There were further discussions regarding how the need for a Clinic was initiated, whether there were focus groups, if feasibility studies were done, a historical background of the project, and logistical delays in the completion thereof.

Agenda Item #6 – Resolution Regarding Extension of Submission of Carryover Allocation Documentation Requirements as Stipulated in the 2011/2012 QAP

Program Administrator Brenda Evans went over the specifics of the matter, advising that staff was recommending approval thereof.

On a motion by Board Member Guy T. Williams, Jr., and seconded by Vice-Chairman Mayson H. Foster, a resolution authorizing an extension of submission of Carryover Allocation Documentation as stipulated in the 2011/2012 QAP by Louisiana Housing Finance Agency (the "Agency") with respect to projects awarded under such QAP; 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 – Resolution Authorizing HOME Funding for Continuous Projects Village du Lac and Temple Crossing

Program Administrator Charlette Minor went over the specifics of the matter.

Treasurer Kennedy inquired as to whether Village du Lac was under any federal investigation or review. Ms. Minor replied that the matter was not.

On a motion by Vice-Chairman Mayson H. Foster and seconded by Board Member Dr. Daryl Burckel, the resolution adopting the recommended awards in the category of Continuous Projects, for the projects Village Du Lac Apartments and Temple Crossing in the HOME 2011-2012 Notice of Funding Availability (NOFA) (labeled Exhibit A, entitled: “HOME 2011-2012 NOFA Recommended Awards List-Continuous Projects II”); and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed unanimously.

Agenda Item #8 – Resolution Approving the Neighborhood Stabilization Allocation Plan

Chief Operations Officer Bradley Sweazy went over the specifics of the matter, advising that staff was recommending approval thereof; also noting that he'd present to the Board a monthly Allocation Plan until November 2012 when the program expires. He also discussed a potential partnering with Louisiana Land Trust.

Mike Taylor with Louisiana Land Trust (LLT) addressed the Board and gave a brief history of LLT, noting their goals of rehabilitating and remarketing properties.

There were further discussions amongst the Board, Mr. Sweazy and Ms. Minor regarding available funding aspects, what will be spent, and program income parameters.

Mr. Taylor discussed the HUD March 2013 deadline to spend the funds, the HUD-OCD-LHFA program origination history, and how the ten (10) rehabilitation projects had been selected with the goal to redevelop and sell them thereafter.

Board Member Guy T. Williams, Jr., noted that blighted units are adjacent to occupied units, and that he felt the program is a good use of funds.

Board Member Matthew P. Ritchie inquired on the property value breakeven aspects and final property disposition parameters.

Board Member Treasurer Kennedy advocated a Master Plan with a Feasibility Study.

On a motion by Commissioner Guy T. Williams, Jr., and seconded by Vice-Chairman Mayson H. Foster, the resolution approving the Neighborhood Stabilization Program (“NSP”) Reallocation Plan, labeled as “Exhibit A”; and providing for other matters in connection with the foregoing, was moved to debate.

There being no further discussion, opposition, or public comments, a Roll Call Vote was taken, and the motion passed 5 (YES) to 0 (NO), and 2 Abstain. The votes were as follows:

NO (None), YES (Michael L. Airhart, Mayson H. Foster, John N. Kennedy, Matthew P. Ritchie, Guy T. Williams, Jr.), Abstain (Dr. Daryl V. Burckel, Ellen M. Lee).

Agenda Item #9 – Resolution Approving Selection of Property Manager for Willowbrook Apartments

Program Manager Loretta Wallace went over the specifics of the matter, advising that staff was recommending approval thereof

On a motion by Vice-Chairman Mayson H. Foster and seconded by Board Member Matthew P. Ritchie, the resolution authorizing the Louisiana Housing Finance Agency (“Agency”) to select Latter & Blum as property manager for Willowbrook Apartments; and providing for other matters in connection with the foregoing, 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 – Resolution Approving an Extension of the Non-Profit Rebuilding Pilot Program (NRPP) and Plaquemines Parish Non-Profit Program through December 31, 2012

Mr. Sweazy went over the specifics of the matter, advising that staff was recommending approval thereof.

Mr. Sweazy, Ms. Minor, and Treasurer Kennedy discussed the delays with the program due to problems with the environmental review process.

Mr. Sweazy advised there was the potential for a \$10M loss of funds. Treasurer Kennedy requested that full notice be given to the Board whenever there is potential for the Agency to lose monies.

Ms. Minor noted that she takes responsibility for the program and any failures related thereof; and, that she and staff were of the understanding that they were following the correct process.

Chair Airhart requested a motion to approve the matter, there being No Response, the matter DIED for lack of a motion by any of the Board Members.

Thereafter, Vice-Chairman Mayson H. Foster offered a Motion to Reconsider, which was seconded by Board Member Guy T. Williams. The Motion to Reconsider was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed with one (1) NAY Vote from Board Member Treasurer John N. Kennedy.

On a motion by Board Member Mayson H. Foster, and seconded by Board Member Guy T. Williams, Jr., the resolution authorizing the Louisiana Housing Corporation (the "Corporation") to execute amendments to the Cooperative Endeavor Agreements ("CEAs") entered into with the State of Louisiana Office of Community Development Disaster Recovery Unit ("OCD-DRU") for the Non-Profit Rebuilding Pilot Program ("NRPP") and Plaquemines Parish Non-Profit Rebuilding Pilot Program ("PNRPP") and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed with one (1) NAY Vote from Board Member Treasurer John N. Kennedy.

Agenda Item #11 – Resolution Authorizing Participating in the 811 Program

Mr. Sweazy and Ms. Nicole Sweazy from OCD went over the specifics of the matter.

Ms. Sweazy noted that projects were located in Shreveport, Monroe, Alexandria, Baton Rouge, Florida and Jefferson Parishes, Lake Charles, and Lafayette; that the funds would be utilized only for rental assistance; and that she would look at past performance indicators.

On a motion by Board Member Dr. Daryl Burckel, and seconded by Board Member Ellen M. Lee, the resolution authorizing the Louisiana Housing Corporation to submit a response to the notice of funding availability for the New Section 811 Project Rental Assistance Demonstration issued by the U.S. Department of Housing and Urban Development; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed unanimously.

Agenda Item #12 – Resolution Approving LHC Fiscal Year 2013 Operating Budget

Chief Financial Officer Rene Landry went over the specifics of the matter, and advised that a draft of the Budget had been presented at the May 2012 Board Meeting; that it was still a "fluid budget" pending the LHC merger of LHFA/OCD.

Chair Airhart noted that Vice-Chairman Foster had been the Board liaison who worked with Mr. Landry on the Budget; he also reminded everyone that the Budget was "fluid" and that there were alternate plans should there be budget shortfalls or increases.

There was a discussion regarding the NSP Professional Services item.

Board Member Ritchie inquired as to why there was a 36% increase in Operating Services. Mr. Landry advised that it was due to anticipated technology related upgrades and facility maintenance upgrades.

Board Member Treasurer Kennedy inquired as to whether future meetings would be broadcast over the Internet. Mr. Sweazy noted said option was being reviewed. Vice-Chairman Foster noted his support for such. Information Technology Director Danny Veals advised that one of the upgrades was for the audio system and microphones used in the Board Room being very outdated having been purchased in 2002.

There were compliments extended to Vice-Chairman Foster and Mr. Landry for a job well done.

On a motion by Board Member Dr. Daryl Burckel, and seconded by Vice-Chairman Mayson H. Foster, the resolution adopting the Louisiana Housing Corporation Operating Budget for the Fiscal Year Ending June 30, 2013 (labeled Exhibit A, entitled "Louisiana Housing Corporation Fiscal Year Ending June 30, 2013 Operating Budget"); and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed unanimously.

Agenda Item #13 – Resolution Authorizing Issuance of RFP for Executive Search Consultant

Mr. Cunningham went over the specifics of the matter.

There were further discussions on the matter between the Board and Staff. In particular, Chairman polled the Board as to their preference for a Louisiana only or National Search. Chairman Airhart and Board Member Ritchie advocated a national search without Louisiana only restrictions; Vice-Chairman Foster and Ms. Lee preferred a Louisiana search; Dr. Burckel noted that Louisiana companies are just as competitive as anywhere else and therefore he wants the process opened up nationally; Treasurer Kennedy preferred a Louisiana only search.

Thereafter, Chairman Airhart advised that the search would be a national search, and not restricted to only Louisiana companies.

Mr. Cunningham requested that any comments on the parameters of the RFP be sent by end of the week.

On a motion by Vice-Chairman Mayson H. Foster, and seconded by Board Member Dr. Daryl Burckel, the resolution to authorize the Louisiana Housing Corporation ("Corporation") to issue a Request for Proposals ("RFP") to seek proposals from Executive

Search Consultant(s) to assist the Board of Directors in advertising for and recruiting an Executive Director; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed unanimously.

Agenda Item #14 – Discussion Regarding LHC Staffing Plan

Human Resources Director Terry Holden went over the specifics of the matter, noting that it would progress in three (3) phases; that internal system tests would be done by the end of the week; that he was working on the physical placement of employees; and that he anticipated eleven (11) positions coming to the LHC from OCD/DCFS/DHH.

Mr. Sweazy advised that the eleven (11) positions would be in the following programs: Soft 2nd Program, Piggyback, Gustave-Ike, Housing Authority, and Emergency Shelter Grant. And, that the total funding would be around \$2B.

Treasurer Kennedy requested a copy of the list denoting the programs coming to LHC from OCD.

There was concurrence amongst Treasurer Kennedy and Board Member Burckel that the programs be audited before coming to LHC to minimize any potential liabilities.

Treasurer Kennedy requested that the Legislative Auditor do a Performance Audit of the OCD Programs coming to LHC, and that such be put on the July BODM Agenda via Resolution.

Agenda Item #15 – Updates and Reports

Updates and Reports were presented as follows: Brenda Evans (Tax Department – QAP Non-Compliance Letters, and Projects That Have Closed); Charlette Minor (HOME PR-27 Report, NRPP Update, NSP Update), Darlene Okammor (Energy Program Activity, LACAP and ARRA WAP MAX, and DOE Monitoring Reviews); Victoria Hilton (Willowbrook Apartments – occupancy rate, move outs, and budget update); Todd Folse (Mid-City Gardens – activity center clearance moving forward at 78% completion, 15 units are clear of mold issues with more testing pending).

Board Member Burckel inquired as to the recourse for the MCG mold issues. Chairman Airhart, Vice-Chairman Foster, and Mr. Cunningham discussed the liquidated damages provision and the 105 day extension aspect of the project.

Mr. Folse advised that he anticipated the activity center to be ready by mid-July, and that by the end of August the residential phases should be ready.

Mr. Sweazy thanked Mr. Folsie for his good work on the project, and also advised that the felt the activity center was "a dream" and that he wasn't quite sure of what its purpose would be.

Treasurer Kennedy thereafter requested that the project architect attend the July BOCM to discuss the "dream" aspects of the project.

Ms. Laura White with Latter & Blum addressed the Board regarding Village de Jardin, noting there were 18 occupied units, 36 pending move-ins, 3 new applications and 65 prospects; that their goal was 92% occupancy by December 2012; that she thinks the LSU Clinic is not going to succeed as is with only be open to VDJ residents, but was overall a good endeavor; and the Latter & Blum property liability components.

Chairman Airhart requested that Mr. Cunningham inquire on LHC buying additional insurance for the property.

There was also lengthy discussion regarding the purpose of the retail space at the property.

Ms. Evans gave updates on the Single Family Program (Production Trending Report, July is Homeownership Month, Bank of America/Standard Mortgage/USBank Delinquency Reports, and the Whole Loan Report). Chairman Airhart requested that Ms. Evans research creative ideas for the Single Family Loan Program until such time that an Account Representative is hired.

Agenda Item #16 – Other Business

Chairman Airhart reminded everyone of the July 10th Board Strategic Planning Workshop.

ADJOURNMENT

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

The Full Board meeting adjourned at 2:47 P.M.



Chairman



Secretary