



Louisiana Housing Corporation

LHC Board of Directors

Board Meeting Minutes

Wednesday, January 8, 2014

**2415 Quail Drive
V. Jean Butler Board Room
Baton Rouge, LA 70808
12:00 P.M.**

Board Members Present

Michael L. Airhart
Larry Ferdinand
Mayson H. Foster
Treasurer John N. Kennedy
Ellen M. Lee
Willie Spears
Guy T. Williams, Jr.

Board Members Absent

Dr. Daryl V. Burckel
Matthew P. Ritchie
Malcolm Young

Staff Present

Fred Tombar
Bradley Sweazy
Barry E. Brooks
Rene' Landry
Brenda Evans
Loretta Wallace
Janel Young
James Young
Danny Veals
Terry Holden
Todd Folse

Edselle Keith Cunningham, Jr.

Leslie C. Strahan

Jessica Guinn

Victoria Hilton

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 p.m. Board Secretary Barry E. Brooks called the roll; there was a quorum.

APPROVAL OF MINUTES

On a motion by Board Member Guy T. Williams, Jr. and seconded by Board Member Larry Ferdinand, the Minutes of the December 11, 2013 LHC Board of Directors meeting were approved unanimously.

LHC BOARD CHAIRMAN'S REPORT

Board Chairman Michael L. Airhart asked for everyone's prayers and thoughts for Board Member Dr. Daryl V. Burckel due to the recent passing of his daughter Laura Ashley Burckel Peterson; that Board Governance Training by facilitator John Wagner would take place on Wednesday, March 14, 2014 prior to the start of Full Board and Committee Meetings; and requested that the Board send him any comments regarding the upcoming Board-Only Strategic Plan Retreat.

LHC EXECUTIVE DIRECTOR'S REPORT

ED Fred Tombar likewise expressed his condolences to the Burckel family; he asked that the Board review the Strategic Plan's Operational Plan in their binders, paying particular attention to the Strategic Priorities, Goals, and Performance Indicators; he noted there had been an LHC staff meeting to recognize several exemplary staff members (Angie Pearson, Ted Guillot, Lauren Holmes, Jeffrey Hevey, Kevin Harvey, Felicia McClay, Sydney Edmonston, Winona Connor, Aimee LeBlanc, and Marjorianna Willman); that the Human Resources staff will be physically moving to the Division of Administration – and he thanked the HR staff for their past dedication and service to the LHFA/LHC; and

that the LHC sponsored seven (7) children during December's Salvation Army Angel Tree Project for Christmas.

ADMINISTRATIVE COMMITTEE REPORT

The only item to be discussed was the resolution regarding the creation of the Housing Development Fund (HDF).

Mr. Tombar went over the specifics of the matter, noting that the request was to use available funds to maximize benefits; that the measure would allow for use of the funds outside of those designated for operational needs or that are needed to meet bond reserve parameters; that the funds would be utilized as necessary with specific recommendations brought before the Board for final approval.

There was lengthy discussion and debate regarding the creation of a Housing Development Fund amongst Treasurer John N. Kennedy, Mr. Tombar, LHC Chief Operating Office Bradley Sweazy, Chairman Airhart, and the other Board Members.

Treasurer Kennedy inquired as to how much money would be in the HDF. Mr. Sweazy replied there was currently \$27M available for the fund.

Board Member Guy T. Williams noted that he would be okay with the resolution provided it did not include the language allowing for "free range" approval to the Executive Director.

Treasurer Kennedy noted that he would prefer to defer the matter until "...all the pieces are on the table..." Chairman Airhart echoed Treasurer Kennedy's sentiments.

ED Tombar tried to further clarify the positive aspects of the aforementioned resolution, noting that the funds would be used for probable homeowner repairs, home rehabilitation in rural areas of the State, construction lending, current projects in Delhi, etc.

Treasurer Kennedy noted he felt the resolution was open ended, and that he would prefer to have a more in-depth analysis done for the February BODM on exactly how the \$27M would be spent.

Treasurer John N. Kennedy moved to DEFER the resolution concerning the creation of the Housing Development Fund until the February 2014 Board Meeting, so as to allow the LHC Executive Management Team time to be able to provide a comprehensive report on how the \$27M is to be expended; and providing for other matters in connection therewith. The motion was seconded by Board Member Larry Ferdinand and was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed unanimously.

MULTIFAMILY COMMITTEE REPORT

MC Chairman Guy T. Williams, Jr. noted that the Committee had not met earlier, and had no action items needing Board approval.

The first item to be discussed was the matter regarding refunding of application fees to certain 2014 QAP Funding Round Applicants.

Treasurer John N. Kennedy moved to refund the application fees for the 17 out of 50 applicants that had lost points due to misinterpreting a section of the QAP. The motion FAILED for lack of a second.

MC Chair Williams advised everyone that the item on the Agenda was only for Discussion and that a possible Resolution would be available at the February Board Meeting, given that there was a need for a policy that would cover similar refunding situations and options thereof.

Board Member Ellen M. Lee expressed her concern about the other 33 out of 50 Applicants that read and interpreted the QAP correctly, and whether the 17 in question would have been awarded points regardless thereof.

ED Fred Tombar noted that some of the 17 had received tax credits, making the matter more complex than perceived.

ED Tombar requested that the Board give him authority to request an Attorney General Opinion on the legality of refunding fees.

Board Chair Airhart inquired as to whether there were any public comments. There were no requests from the public to comment on the aforementioned matter.

Board Member Ellen M. Lee moved to authorize the LHC Executive Director Frederick Tombar, III, to seek an Attorney General Opinion regarding the legality of the LHC refunding of application fees to certain 2014 QAP Funding Round Applicants. The motion was seconded by Board Member Larry Ferdinand and was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed unanimously.

MC Chair Williams noted that the Non-Closed Projects and HOME updates were in the Board binders for review.

SINGLE FAMILY COMMITTEE REPORT.

In the absence of SF Chairman Matthew Ritchie, LHC Program Administrator Brenda Evans noted that the Committee had not met earlier, and had no action items to discuss.

Ms. Evans provided an update on the FNMA Advantage Plus Program, noting that she and staff were waiting on further clarification pending an announcement from FNMA, and that more information would be disseminated on January 15, 2014.

Ms. Evans briefly went over the cumulative Delinquency Report for USBank, Standard Mortgage, and Bank of America, and advised that said information along with the other Single Family Program updates were in the Board binders.

SUSTAINABLE HOUSING COMMITTEE

SHC Chairwoman Ellen M. Lee noted that the Committee had not met earlier; that there were no action items; and that updates were in the Board binders.

ASSETS AND INVESTMENTS COMMITTEE REPORT

In the absence of AIC Chairman Dr. Daryl V. Burckel, Board Chairman Airhart noted that the Committee had not met earlier, and that there were no action items.

LHC Housing Finance Manager Victoria Hilton advised the Board that the occupancy rate at Willowbrook Apartments was at 90% (367/400 units occupied); Village de Jardin at 95% occupancy (213/224); and that Mid-City Gardens was at 90% occupancy (54/60).

OTHER BUSINESS

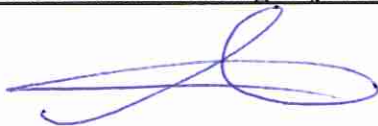
There was further discussion amongst the Board Member, initiated by Vice-Chairman Mayson H. Foster, regarding the previous Agenda item regarding the specifics of the Housing Development Fund.

VC Foster expressed his deepest concerns about the \$27M unspent and earlier dialogue thereof, especially as to how it would affect the Corporation's bond ratings.

ADJOURNMENT

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

The Full Board meeting adjourned at 1:22 P.M.



Chairman



Secretary