

BOBBY JINDAL
GOVERNOR



DON J. HUTCHINSON
INTERIM EXECUTIVE DIRECTOR

Louisiana Housing Corporation

LHC Board of Directors

Board Meeting Minutes

Wednesday, November 14, 2012

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

Board Members Present

Michael L. Airhart
Mayson H. Foster
Treasurer John N. Kennedy
Ellen M. Lee
Matthew P. Ritchie
Willie Spears
Malcolm Young
Guy T. Williams, Jr.

Board Members Absent

Dr. Daryl V. Burckel

Staff Present

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

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 10:06 a.m. 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 Willie Spears, the Minutes of the October 10, 2012 LHC Board of Directors meeting were approved unanimously.

LHC BOARD CHAIRMAN'S REPORT

Board Chairman Michael L. Airhart acknowledged the recent birth of his new son, and advised that mother and baby were doing fine!

LHC INTERIM EXECUTIVE DIRECTOR'S REPORT

IED Don J. Hutchinson reported on the following items: Art Lofts Groundbreaking; Ogilvie Hardware Lofts Ribbon Cutting; Unity of New Orleans Groundbreaking; update on Disaster Recovery Task Force; NCSHA Annual Conference 2012 in Orlando; NCSHA Annual Conference 2013 to be held in New Orleans; Rural Housing Roundtable; Sustainable Cities Conference; Greater Baton Rouge Association of Realtors Expo; Red River Senior Apartments Open House; and the upcoming Legislative Select Committee on Hurricane Recovery meeting.

LOUISIANA DISASTER HOUSING TASK FORCE ON HURRICANE ISAAC

Mr. Sweazy gave a brief synopsis regarding activities of the LDHTF.

Chairman Airhart acknowledged the arrival of Board Member Ellen M. Lee and her presence on the dais.

Agenda Item #6 – Resolution regarding RFQ for HUD Approved Housing Counseling Agencies

LHC Program Administrator Brenda Evans went over the specifics of the matter, noting that \$250K of general funds would be needed to start the program, that the RFQ would be issued by week's end, and that awards would be recommended at the January 2013 BODM. She also advised that coverage would cover the State Congressional Districts especially the rural areas (similar to the Ohio program).

Also noted by Ms. Evans was that the HCA would receive \$65 per participant counseled and an additional \$35 if and when the participant bought a house.

LHC Chief Operating Officer Bradley Sweazy advised that the program was also needed so that the LHC could score high enough to receive a January 2013 HUD NOFA Grant.

Board Member Willie Spears advised that he fully supported the program as aforementioned.

On a motion by Board Member Willie Spears and seconded by Board Member Guy T. Williams, Jr., the resolution authorizing the Louisiana Housing Corporation (“Corporation”) to release a Request for Qualifications (“RFQ”) seeking proposals from the Department of Urban Housing and Development (“HUD”) Approved Housing Counseling Agencies to participate in its Homebuyer Education Counseling Program; 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 regarding material change for McDonough 16

Ms. Evans went over the specifics of the matter, noting that the project was going from six (6) buildings to two (2) buildings per the New Orleans City Planning Commission; that the costs would remain the same as would the credits previously awarded; that staff had reviewed the F&V, and was recommending approval thereof.

Mr. Pierre Walker of CCNOD addressed the Board regarding the matter, and gave a brief history of the project.

On a motion by Board Member Guy T. Williams, Jr., and seconded by Board Member Ellen M. Lee, the resolution authorizing the reduction of the number of Low Income Housing Tax Credit residential buildings from six (6) to two (2) in McDonough 16 as

stipulated in the 2011/2012 Qualified Allocation Plan (QAP) by the Louisiana Housing Corporation with respect to the project submitting a request for such material change; 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 #8 – Resolution regarding a material change to Iberville Onsite Phase I

Ms. Evans went over the specifics of the matter, noting that four (4) changes were needed because human remains had been located on site therefore requiring the original location to be shifted so as to not disturb the human remains, which had caused a delay in the project; also more costs were incurred due to the necessary change in location; that the project schedule needed to be revised; that there were changes in funding sources; that the units were going from 166 to 152; and, that staff was recommending approval thereof.

Mr. Tom Leonard of HRI Properties addressed the Board advising that it was a state law that the bodies would have to be exhumed and relocated elsewhere.

There were discussions by Treasurer John Kennedy and Mr. Leonard regarding the various cost parameters associated with the project.

Treasurer Kennedy noted his concern about reconcentration of poverty and that he had trouble ascertaining how the project actually benefits the citizens of New Orleans, especially given the high development costs associated with the project.

Mr. Leonard advocated that there would not be a concentration of poverty, and that it was a very viable project; that a lot of local and State citizens would be employed; that the project would unlock economic development in the French Quarter and adjacent neighborhoods; and that the costs and fees are within the LHC guidelines and parameters.

Treasurer Kennedy advised that he felt the money could have been better spent on building single family homes instead of apartments and getting rid of blighted properties.

Chairman Airhart noted that he would like developers to start examining ways to build more single family homes, and that future LHC QAPs may be the avenue to reach said mission.

Board Member Willie Spears noted that he did not feel building single family homes is the problem but that selling them would be a problem due to lack of qualified and credit worthy homeowners.

Mr. Leonard noted for the record that his firm does in fact building single family homes.

Mr. Neal Morris addressed the Board noting that he could build single family homes for \$150K; he discussed construction cost variances and legal/accounting cost variances. He also noted the problem of getting titles cleared.

On a motion by Commissioner Guy T. Williams, Jr., and seconded by Board Member Ellen M. Lee, the resolution authorizing a material change to Iberville Onsite Phase I involving (1) an extension to the carryover deadline, (2) a delay in the project schedule, and (3) modification to the project's sources as stipulated in the 2011/2012 Qualified Allocation Plan (QAP) by the Louisiana Housing Corporation with respect to the project submitting a request for such material change; 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 2 (NO), and 1 ABSENT. The votes were as follows:

YES (Mayson H. Foster, Ellen M. Lee, Willie Spears, Guy T. Williams, Jr., Malcolm Young); NO (John N. Kennedy, Matthew P. Ritchie); ABSENT (Dr. Daryl V. Burckel).

Agenda Item #9 – Resolution regarding 4% LITCH for Live Oak Manor

Ms. Evans went over the specifics of the matter, noting that staff was recommending approval thereof.

Ms. Kea Calame with Summit Housing Partners addressed the Board briefly.

LHC Compliance Inspector Todd Folsie noted that the property had been well maintained, which resulted in decreased rehab costs.

On a motion by Vice-Chairman Mayson H. Foster and seconded by Board Member Willie Spears, the resolution establishing the maximum qualified basis and low-income housing credits to Live Oak Manor located at 1610 E. Martin Luther King Jr. Drive, Abbeville, Vermilion Parish, LA 70510; authorizing 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 approving a HUD requested waiver of the Minimum Square Footage and Full Bathrooms Per Unit Type required in the 2013 Qualified Allocation 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.

Agenda Item #10 – Resolution regarding 4% LIHTC for Jackson Landing North

Ms. Brenda Evans went over the specifics of the matter, noting that development management experience parameter was being waived, that staff had inspected the property, and was recommending approval thereof.

On a motion by Board Member Treasurer John N. Kennedy and seconded by Vice-Chairman Mayson H. Foster, the resolution establishing the maximum qualified basis and low-income housing credits to Jackson Landing North, located at 3605 Garden Oaks Drive, New Orleans, Orleans Parish, Louisiana 70114; authorizing 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 approving a waiver of the evidence required to document “management experience” as required in the 2013 Qualified Allocation 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.

Agenda Item #11 – Resolution regarding Award of the 2013 Housing Credit Ceiling

Ms. Evans went over the specifics of that matter by discussing the scores and rankings, reviews, challenge period, recommended awards, and noting that staff was recommending approval thereof. She also advised that there had been an Appeal Panel comprised of Don Hutchinson, Bradley Sweazy, and Keith Cunningham.

Chairman Airhart opened up the floor for any public comments.

Mr. Shawn Barney addressed the Board requesting that 16 points be reinstated to his project due to the difference in clarifying information versus new information and the discrepancy regarding the distinction of 501(c)3 status. He also noted that he did not request an appeal since he assumed the Board would be the final decision maker.

Mr. Donald Vallee addressed the Board also noting that he disagreed with the QAP, that a great deal of money was going to only a few projects, he discussed historical property costs, noted that he felt the Appeals process should have been more independent and transparent and done in a public forum, and that he felt Congressional Districts should be discontinued.

Chairman Airhart noted that he had full faith in the Appeals review process done by Mr. Hutchinson, Mr. Sweazy, and Mr. Cunningham, but that he does agree on the need for more units.

There were further lengthy discussions on the matter(s) by Mr. Vallee, Ms. Evans, Chairman Airhart, and Board Members Lee and Spears.

Treasurer Kennedy requested a list of properties given Historic status from Ms. Evans.

Ms. Helena Cunningham addressed the Board. She thanked the LHC staff for a good funding round, and also noted that staff were receptive and professional.

On a motion by Board Member Guy T. Williams, Jr., and seconded by Board Member Matthew P. Ritchie, the resolution approving the final rankings and award of applications under the 2013 Qualified Allocation Plan to certain residential rental facilities; 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) NO Vote from Board Member Treasurer John N. Kennedy.

Agenda Item #12 – Resolution the Louisiana 2013 LIHEAP Grant Application

Program Administrator Loretta Wallace went over the specifics of the matter, noting that the LIHEAP Grant Application had been submitted on November 5th and that on November 11th the LHC was awarded \$38.4M.

Vice-Chairman Foster inquired as to whether the LHC be handling the matter or would it be LACAP again.

Ms. Wallace advised that at the moment she was comfortable using LACAP because of the amount of resources already invested, in particular, investments in the LACAP training center.

VC Foster noted that he felt the CAPs had done well in the program and that his only concern was the past/current problems with LACAP.

Mr. Cunningham noted that due to the legal nature of the conversation that he'd prefer not to address any specifics of the past problems with LACAP, but that he was encouraged by the fact that LACAP has reduced its costs and was striving for efficiency.

Board Member Lee inquired as to why the program would not be brought in-house instead of outsourcing.

Mr. Sweazy advised that a proposal to bring the program in-house was still being reviewed, but that the LACAP training facility was nationally recognized and that LHC was already invested heavily in the training facility.

Board Member Treasurer Kennedy inquired if inspectors were going out to review the completed WAP homes.

Ms. Wallace noted that a sampling of 7-10% was being done.

Mr. Vallee addressed the Board advocating for the need for a LACAP audit to be performed. Mr. Cunningham and Mr. Sweazy noted that three (3) separate audits had already been done.

LHC Internal Audit Supervisor Collette Mathis advised that an internal audit of advance payments to LACAP had noted some discrepancies.

Chairman Airhart requested that the independent firms' audits be distributed to the Board.

Mr. Cunningham briefly discussed some of the past inadequacies of LACAP.

Board Member Lee inquired if the matter could be deferred until an audit of LACAP had been completed.

Mr. Cunningham and Mr. Sweazy noted that the Plan was amendable at any time deemed for such by the Board, but that they were recommending approval so that the funds could be drawn down and utilized.

Mr. Cunningham noted that he'd distribute the A-133 and independent audit firms' audits to the Board.

On a motion by Vice-Chairman Malcolm H. Foster and seconded by Board Member Willie Spears, A resolution confirming the submission of the Louisiana 2013 Low Income Home Energy Assistance Program (LIHEAP) Grant Application to the U.S. Department of Health and Human Services (labeled hereto 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 comment, a vote was taken, and the motion passed unanimously.

Agenda Item #13 – Updates and Reports

Reports and/or Updates were given by Ms. Evans for Tax Credit Program.

Thereafter, Chairman Airhart requested that the Non-Closed Projects List include more detailed info.

There was a lengthy discussion between Board Member Treasurer Kennedy, Board Member Williams, and Mr. Cunningham regarding compliance duties and the scope of inspections thereof.

Board Member Treasurer Kennedy requested information from Mr. Cunningham regarding any 8823's that had been issued in the past three (3) years, and stated that he wanted clarification as to if the properties are operating compliantly.

Chairman Airhart requested that the aforementioned matter be put on the December BODM Agenda, and that the info requested by Treasurer Kennedy has been forwarded to him in the next seven (7) days.

Ms. Evans along with Public Information Director Jeff DeGraff showed a commercial soon to air highlighting the LHC's Single Family Program.

Ms. Evans next went over the Production Report, Delinquency Reports, and Whole Loan Report.

The Sustainable Housing Department Report was given by LHC Program Administrator Ms. Janel Young.

LHC Program Administrator Charlette Minor gave updates on the HOME PR-27 Report and NSP. She noted there would be a projected balance of \$1.75M in the NSP1.

Chairman Airhart requested a written plan be submitted to him for how the LHC anticipated using the NSP1 projected balance funds within the next two (2) weeks.

Ms. Wallace went over the Energy Programs Activity, and LACAP and ARRA WAP MAX matters. She noted that 5,363 units had been weatherized.

Ms. Wallace also discussed Willowbrook Apartments, noting that occupancy rate was around 92.65%.

Ms. Wallace discussed Village de Jardin, noting that there was a 65% forecasted occupancy rate, and that five (5) of the units would be PSH set-aside units.

Mr. Vallee requested that the Operating Statements for VDJ be put on the public website. Chairman Airhart requested a Legal Opinion be presented on Mr. Vallee's request at the December BODM.

Mr. Todd Folsie discussed Mid-City Gardens, noting that the project was moving towards completion, and that he anticipated the first tenant could move in by December 3rd.

Chairman Airhart requested from Mr. Cunningham an update on what is owed to the architects and contractors and any liquidated damages anticipated.

Vice-Chairman Foster requested that the matter be discussed via Executive Session at the December BODM. Mr. Cunningham noted ES was not necessary for the matter to be discussed.

Mr. Vallee suggested to the Board that a Committee be set up to review the selling off of LHC assets.

Chairman Airhart requested a white paper be presented to the Board noting the use of rental revenues for issuance of an RFP to build more single family developments.

Mr. Sweazy advised that the Louisiana Housing Authority staff would eventually be housed in the MCG Activity Center. Chairman Airhart requested that staff reconnect with BREC for possible partnering and to also resolve the property's parking issues.

LHC CFO Rene' Landry went over the Variance Report, Operating Revenues and Operating Expenses.

Chairman Airhart requested that the percentage change in the variances be included in future Variance Reports.

OTHER BUSINESS

Mr. Barney re-addressed the Board requesting that he be allowed to address the Appeals Review Team.

Chairman Airhart requested that Mr. Sweazy meet with Mr. Barney after adjournment.

Mr. Vallee questioned why the ART was being made available only to Mr. Barney.

Mr. Sweazy noted that of the three (3) appeals received, Mr. Barney was the only one who did not have a face-to-face meeting with the ART.

Ms. Lee inquired as to the status of the Mortgage Settlement Fund matter.

Chairman Airhart noting that he was aware a meeting had been held requesting that LHC be chosen to administer the funds.

Mr. Sweazy noted that the aforementioned meeting had been postponed and that he'd reconnect with the Attorney General's Office to get the matter back on track.

Chairman Airhart and Board Member Treasurer Kennedy requested a report detailing how the State was intending to use the funds from the Mortgage Settlement.

Ms. Michelle Whetten addressed the Board noting that she was aware that the AG had said 90% of the funds Louisiana would receive would be spent on housing.

Chairman Airhart requested that Ms. Whetten provide the Board with a copy of any documentation related to her aforementioned assertion, and that the matter be put on the Agenda for the December BODM, and that Mr. Sweazy reschedule the previously postponed meeting with the AG's office.

Ms. Patricia Jones addressed the Board inquiring as to the formula used to determine single family versus multifamily project.

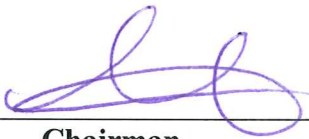
Chairman Airhart replied that such is based on Executive Management Staff reliance by the Board.

Mr. Sweazy noted that he was not aware of any particular formula, that HOME funds are primarily rental guided; and that more single family ownership projects would be the future goal of LHC.

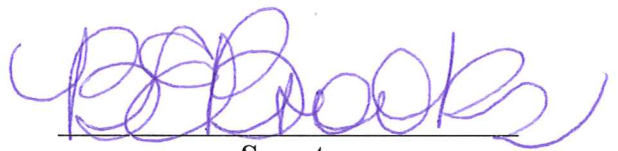
ADJOURNMENT

There being no other matters to discuss, Vice-Chairman Foster offered a motion for adjournment that was seconded by Board Member Guy T. Williams, Jr. There being no discussion or opposition, the matter was unanimously passed.

The Full Board meeting adjourned at 1:41 P.M.



Chairman



Secretary