



Louisiana Housing Corporation

A verbatim transcript as well as an audio recording of these proceedings is available upon request by contacting the LHC

LHC Board of Directors

Board Meeting Minutes

Wednesday, September 12, 2018

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

Board Members Present

Ron J. Henson (on behalf of Louisiana State Treasurer John M. Schroder)
Tammy P. Earles
Derrick Edwards
Byron L. Lee
Donald B. Vallee
Gillis R. Windham
Stacy Head

Board Members Absent

Lloyd "Buddy" Spillers
Jennifer Vidrine
Larry Ferdinand
Willie Rack

Staff Present

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

Terrell Dupard
Miriam Bowie
Plezetta West
Nicole Sweazy
Kevin Brady
Natasha Anderson
Na'Tisha Natt
Robby Bizot
Louis Russell
Carlos Dickerson

Others Present

See Guest Sign-In Sheet

CALL TO ORDER

In the absence of Board Chairman Lloyd "Buddy" Spillers and Board Vice-Chairwoman Jennifer Vidrine, Board Member Gillis Windham called the meeting to order at 10:17 a.m. Board Secretary Barry E. Brooks called the roll; there was a quorum.

Interim Chairman Windham briefly introduced New Board Member Ms. Stacy Head. It was noted that Ms. Head had been duly and officially Sworn-In earlier by LHC Executive Counsel Jessica Guinn. Ms. Head was cordially welcomed to the Board by everyone. Unfortunately, Ms. Head had laryngitis and therefore was limiting her speaking.

APPROVAL OF MINUTES

Next item discussed was the July 11, 2018 Board Meeting Minutes.

On a motion by Board Member Donald B. Vallee and seconded by Board Member Derrick Edwards, the Minutes of the July 11, 2018 LHC Board of Directors Meeting were unanimously approved.

BOARD CHAIRMAN'S REPORT

None.

LHC EXECUTIVE DIRECTOR'S REPORT

LHC Executive Director E. Keith Cunningham, Jr. delivered his report, noting that LHC had received a Special Achievement Award from COSDA (Council of State Development Agencies), that he attended a meeting with the Greater Alexandria Economic Group, that he participated in the Grambling Economic Summit, that LHC staff and Board Members would be attending the October NCSHA Annual Conference in Austin TX, he distributed an ABT Associates report on Variations in Development Costs for LIHTC Projects (available upon request), and he noted that there would be an upcoming Choice Neighborhood Initiatives event to discuss the State of Housing in Louisiana.

Board Member Vallee requested specific dates on a calendar basis that LHC would be doing Programs overviews. He also requested that Programs' performance be part of the overview discussions.

ED Cunningham noted that LHC had participated in the July 2018 LAHMA Annual Conference, and that LHC had recently attended the Blueberry Hill Development Groundbreaking.

Board Member Derrick Edwards noted that he likewise had attended the Blueberry Hill Development Groundbreaking and that it was an excellent event, and he encouraged his fellow Board Members to attend similar events when invited.

Cheyenne Little, LAAHP Executive Director, addressed the Board and reminded everyone of the upcoming Wed Oct 3rd LAAHP Annual Conference at the Westin Hotel in New Orleans

ED Cunningham also discussed LMA and LaMATS, Community Connections, SCR10 that deals with foster care in Louisiana, that the HUD Audit of the LHC Disaster Recovery Group was excellent with No Findings, and that Puerto Rico had requested to duplicate the LHC's DRG initiatives.

ED Cunningham extended thanks to Louisiana Senator John Kennedy for his co-sponsorship of SB3231.

Interim-Chair Windham complimented the LHC on the recent HUD Audit of No Findings, and on LHC's continued efforts of transparency in all matters.

AGENDA ITEM #5

Next item discussed was the Single Family Committee Report.

It was noted that the Single Family Production Updates had been discussed at the earlier Single Family Committee Meeting, and were available in the Board binders to review.

Mr. Michael Airhart from George K. Baum addressed the Board, and discussed the George K. Baum FRE Pilot Program (presentation available upon request). He noted that future Board approval of the Pilot Program would be requested.

Mr. Airhart noted that the Pilot Program would be available in the 64 parishes of Louisiana, and that Freddie Mac would allow the AMI to be set by LHC.

Thereafter, there were further discussions on the pros and cons of the Pilot Program between Mr. Airhart and the Board Members.

AGENDA ITEM #6

Next item discussed was the resolution adopting the completed Louisiana Compliance Questionnaire for Audit Engagements of Governmental Entities.

LHC CFO Carlos Dickerson went over the specifics of the matter.

Board Member Vallee requested LHC obtain the costs from the Legislative Auditor to perform Performance Audits of the LHC Programs.

On a motion by Board Member Donald B. Vallee and seconded by Board Member Tammy Earles, the resolution adopt the completed Louisiana Compliance Questionnaire for Audit Engagements of Governmental Entities, attached as Exhibit A; 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

Next item discussed was the resolution awarding HOME and Housing Trust Funds under the 2018 HOME and HTF Fall Notice of Funding Availability.

LHC COO Bradley Sweazy went over the specifics of the matter.

Board Member Stacy S. Head requested a copy of the Housing Needs Assessment Report.

There were further discussions on the aforementioned matter by LHC staff and the Board Members.

On a motion by Board Member Byron L. Lee and seconded by Board Member Donald Vallee, the resolution approving Louisiana Housing Corporation (“LHC or Corporation”) staffs recommended strategies for awarding HOME and Housing Trust Fund (“HTF”) funds under the 2018 HOME and HTF Fall Notice of Funding Availability (“NOFA”); 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

Next item discussed was the resolution regarding \$3.5M MHRB for Progress Park.

LHC EMO Louis Russell went over the specifics, noting the development would have 48 one-bedroom units, per unit costs was \$115K, and per square foot costs was \$192; and that staff was recommending approval thereof.

Mr. David Harms addressed the Board.

On a motion by Board Member Byron L. Lee and seconded by Board Member Derrick Edwards, the resolution of intention to issue not exceeding Three Million Five Hundred Thousand Dollars (\$3,500,000) Multifamily Housing Revenue Bonds for Progress Park, #2017-115BF (723-827 N. 30th Street and 720-824 Progress Street, Baton Rouge, East Baton Rouge Parish Louisiana 70802) 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.

AGENDA ITEM #9

Next item discussed was regarding the request for material changes to Hopeville Apartments.

ED Cunningham went over the specifics of the matter, concluding that LHC staff was still recommending denial due to the number of reduced units being requested.

Ms. Verlyn Foley addressed the Board. She noted errors by LHC in a June 2018 memo that suggested incompetency by the developers.

ED Cunningham apologized for the Record for any negative interpretations within the June 2018 memo.

Interim Chair Windham likewise apologized on behalf of the Board for any undue stress Ms. Foley may have endured from the June 2018 memo.

There were further lengthy discussions between the Board, LHC staff, Ms. Foley, and Mr. Fred Tombar.

Mr. Tombar discussed an Exceptions Report he acquired from LHC via a public records request that illustrated should Ms. Foley's requests be approved, such would not set a precedent.

COO Sweazy noted that the Exceptions Report that Mr. Tombar referenced was a valid LHC document, but that the situations thereof were for requests that were primarily out of the developer's control.

Mr. Tombar noted that Ms. Foley had experienced several situations that were out of her control, including having received five (5) Cease and Desist Orders, that floods in Louisiana had reduced available labor and supplies and had caused development costs to increase, and that she also encountered cases of NIMBYism.

Board Member Vallee inquired as to whether Mr. Todd Little obo LAAHP had any comments on the pending matter.

Mr. Todd Little addressed the Board obo LAAHP noting he did not feel costs increases could justify approving the requests for Hopeville Apartments.

There were continued further lengthy discussions between the Board, LHC staff, Ms. Foley, and Mr. Fred Tombar.

Mr. Cunningham reiterated the LHC staff's recommendation to deny the requests. And, he also recommended the option of returning the credits.

Board Member Edwards noted that did not wish to put LHC at any risk or liability, and therefore was recommending the Board follow the ED Cunningham's recommendation to deny the requests.

On a motion by Board Member Derrick Edwards and seconded by Board Member Stacy S. Head, it was moved that the request for material changes to Hopeville Apartments be DENIED; and providing for other matters in connection therewith, was moved to debate.

Thereafter, Board Member Byron Lee inquired why the Board had to vote on the matter, and stated "I want to make sure they have the opportunity to try to remedy their issues. I don't think it's our responsibility to kill it. Let them do whatever they can do to remedy their issues".

Mr. Tombar stated "...By the Agency's own report, this is not new. What's being asked for is not new and it has been done in the recent past for another project of the same number of units at additional costs to this Agency".

Interim Chair Windham stated "...What we're going to ask you to do is find something viable that our staff will accept and bring it back to us. And, I'm not going to continue this discussion anymore."

Board Member Vallee stated "Mr. Chair, if they withdrew this today there's nothing we need to when they come back. We don't have to vote on it if you withdraw it."

Mr. Cunningham noted that "...there was no resolution."

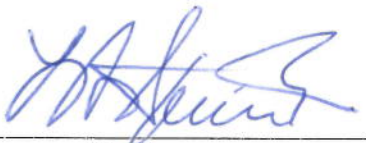
OTHER BUSINESS

None.

ADJOURNMENT

There being no other matters to discuss, Board Member Byron L. Lee offered a motion for adjournment that was seconded by Board Interim Chair Gillis r. Windham. There being no discussion or opposition, the motion passed unanimously.

The Full Board meeting adjourned at 12:15 p.m.



Chairman



Secretary