



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

***SPECIAL* Board Meeting Minutes**

Wednesday, April 23, 2018

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

Board Members Present

Lloyd S. "Buddy" Spillers
Jennifer Vidrine
Tammy P. Earles
Derrick Edwards (arrival time of 10:20 A.M.)
Thomas Enright (obo Louisiana State Treasurer John M. Schroder)
Byron L. Lee
Willie Rack
Donald B. Vallee

Board Members Absent

Larry Ferdinand
Gillis R. Windham

Staff Present

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

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Terrell Dupard
Miriam Bowie
Nicole Sweazy
Kevin Brady
Natasha Anderson
Na'Tisha Natt
Robby Bizot
Louis Russell
Wendy Hall
Lionel Dennis
Cassandra Davis
Carlos Dickerson
Todd Folse

Others Present

See Guest Sign-In Sheet

CALL TO ORDER

Board Chairman Lloyd S. "Buddy" Spillers called the Special Meeting to order at 10:10 a.m. Board Secretary Barry E. Brooks called the roll; there was a quorum.

AGENDA ITEM #2

The first matter to be discussed was the resolution approving the State's 2018 Qualified Allocation Plan ("QAP").

Board Member Donald B. Vallee submitted and read into the Record his QAP 2018 Comments (**see attached**).

There was general consensus to discuss the aforementioned comments individually.

First, Board Member Vallee advocated that there be an Appeals Period for applicants.

Chairman Spillers noted for the Record that he concurred with Board Member Vallee that there should be a right to appeal.

LHC Executive Director E. Keith Cunningham, Jr. advised that staff would go back and put language in the QAP that would present a means by which to bring an issue to the Board, and suggested the creation of an Appeals Committee.

Board Vice-Chairwoman Jennifer Vidrine noted her support for an Appeals process.

Board Member Vallee suggested the use of previous Appeals Committee composition.

Board Chairman Spillers advocated that the developer should be present for any Appeals meetings.

ED Cunningham suggested that thirty (30) days prior to awarding of the credits that the developer would meet with the Appeals Committee (two members of the Board and LHC staff).

Board Member Vallee advocated for Pools as follows: Roll Preservation Pool into all Pools (rather than separate):

- a. NP/CHDO-10% as required (\$1,050,000) to include as a portion 18% for Preservation of existing properties.
- b. Rural – 30% (\$3,150,000) to include 18% portion for Preservation of existing properties.
- c. General Pool – 60% (\$6,300,000) to include 18% for Preservation of existing properties.

Board Chairman Spillers noted that he did not want the Pools changed, and suggested looking at any changes thereof during the 2019 QAP.

ED Cunningham concurred with Chairman Spillers, noting he was not in support of making any changes to the Pools, especially given that the public had not been given any advance notice of such.

Next, Board Member Vallee advocated limiting one (1) application per pool per developer.

ED Cunningham noted that there was not enough data to show any effectiveness of limiting applications.

Board Member Vallee noted his concerns of concentrations in one area and for awards going to the same developer(s).

LHC Executive Management Officer Louis Russell advised that there currently was a \$2M cap per developer.

LHC Chief Operating Officer Bradley Sweazy noted that the previous year's cap was \$1.5M.

Next, Board Member Vallee advocated for capping developer fee at \$1.5M or 15%.

Board Chairman Spillers advised that developers previously commented they did not want a cap on 9%, and that he was opposed to capping developer fees.

ED Cunningham noted that the LHC would continue to look for ways to make affordable housing projects financially prudent and effective.

Thereafter, Board Member Vallee noted that his comment #5 “Cap TDC as per HUD but no changes or exceptions” was already in the QAP. And, that he no longer desired capping developer fees.

Board Member Vallee suggested keeping the HUD TDC guidelines, but bringing any special costs or special projects to the Board for review and approval.

EMO Russell briefly discussed the HUD extraordinary costs guidelines.

Board Member Vallee next suggested maintaining the sixty (60) points minimum scoring.

Thereafter, Board Member Vallee noted that he was willing to withdraw the aforementioned suggestion.

Board Member Willie Rack discussed the provision regarding no points for negative neighborhood characteristics; in particular what was the reasoning for the “one-half mile” distance parameter. He furthered, noting that the one-half mile threshold would eliminate many areas that desperately needed affordable housing.

ED Cunningham noted that based on research, he was in support of the one-half mile distance parameter.

COO Sweazy concurred, noting that such only applied to “new construction.”

Board Member Rack reiterated his concern on the aforementioned matter, noting that such would eliminate many of the small towns.

ED Cunningham offered that perhaps the aforementioned threshold could only apply to populations of 10K or less.

Board Member Rack countered and suggested it apply to populations of 15K or less.

Board Member Vallee advocated increasing the square footage to 600, 800, 1100, 1400, and 1600 for efficiency, one bedroom, 2 bedrooms, 3 bedrooms, or 4 bedrooms, respectively.

EMO Russell and LHC Compliance Manager Todd Folsie noted that the QAP was in sync with HUD square footage standards.

Board Member Vallee next advocated that projects must set aside 10% for 30% or below, 5% for veterans, and 5% for disabled.

Thereafter, he requested that the aforementioned to be a goal for future QAPs.

EMO Russell noted included in the QAP were other incentives for developers to serve veterans, the disabled, the elderly, etc.

Board Vice-Chairwoman Vidrine inquired as to whether the set asides were adequately meeting the needs of the special needs population.

ED Cunningham advised that unfortunately LHC does not have sufficient resources to meet all of their needs, hence the LHC's partnerships with external partners in particular the Louisiana Department of Children and Family Services ("LDCFS").

Board Vice-Chairwoman Vidrine noted her support for set asides for veterans and the disabled.

Board Member Derrick Edwards inquired as to what criteria are used to determine if the needs are the disabled are being met.

CM Folse advised that LHC adheres to the provisions as stipulated in the Americans with Disabilities Act and the Uniform Accessibility Standards Act.

Board Member Enright briefly discussed the constitutional preferences available for veterans, noting in particular the extra points given by Civil Service for veteran job seeking applicants.

Board Member Vallee next advocated for reducing NHTF cap to \$300K and reducing TCAP cap to \$250K.

ED Cunningham advised that TCAP was not in the 2018 QAP.

EMO Russell noted that NHTF had pre-set limits of 30% AMI.

COO Sweazy and Board Member Vallee further discussed the NHTF parameters and the historical uses and allocations.

Mr. Tate addressed the Board and discussed costs versus set-aside units.

Board Chairman suggested leaving the matter as is.

Thereafter, Board Member Vallee withdrew his comment #10.

Board Member Vallee next advocated to Limit Max tax credit to any one or combination of entity to \$1,000,000 cap.

ED Cunningham noted he was not in support of limiting developers without concrete objectives and data to backup said policy restrictions.

Board Chairman concurred, noting he was likewise not in support of a \$1M cap.

Lastly, Board Member Vallee advocated increasing reserves for more adequate coverage.

ED Cunningham and EMO Russell advised that the QAP was consistent with HUD's reserve guidelines.

Board Member Enright noted he was in support of an Appeals process; that the one-half mile limit needed more clarity; and that developers needed to explain their reasoning for building in negative neighborhoods.

Board Chairman Spillers noted that he supported Board Member Vallee's comments #1 related to an Appeals process, #5 related to TDC cap as per HUD, and #9 set asides for preference populations; also that populations of 15K or less be exempt from the one-half mile threshold, subject to HUD environmental guidelines; and that there be four (4) points for PSH.

LHA ED Sweazy discussed PSH service providers and accessibility needed for PSH tenants.

ED Cunningham, COO Sweazy, and ED Sweazy advocated leaving the four (4) points for PSH in the QAP.

On a motion by Board Member Donald B. Vallee and seconded by Board Member Willie Rack, the resolution providing for approval of the State's 2018 Qualified Allocation Plan ("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 #3

Next item discussed was the proposed LHC Housing Conference.

ED Cunningham noted that LHC had met with LAAHP and that future discussions were being planned.

LHC Director of Public Affairs Na'Tisha Natt discussed the specifics of the matter, advocating the positive benefits of the proposed LHC Housing Conference.

Ms. Natt discussed the survey results from the previous LHC Housing Roundtable.

Ms. Natt discussed that the LHC Housing Conference had a target date of Spring 2019; she discussed the estimated costs and projected expenses; she gave a brief analysis of fellow HFA annual housing conferences; and noted her confidence that it would be a viable event and was aligned with national standards.

Board Member Vallee inquired as to who the anticipated attendees were, what the goal of the conference was and what was expected to be achieved, and what were the staff man-hours needed and overhead costs.

ED Cunningham advised that a more in-depth and concise budget was forthcoming.

Board Member Vallee noted that he felt a three (3) day conference was too long.

ED Cunningham noted the goal was to better educate our partner and stakeholders.

Board Member Vallee noted his opposition to committing \$150K for a three (3) day conference.

Board Member Enright noted that since the matter before the Board was only for preliminary approval, he was in support thereof.

On a motion by Board Member Thomas Enright and seconded by Board Member Byron L. Lee, the Board approved LHC staff to begin preliminary phases of planning a Spring 2019 LHC Housing Conference.

Board Member Vallee **offered an Amendment** that approval of the Spring 2019 LHC Housing Conference be subject to providing the Board with pre-registration information. The amendment **FAILED** for lack of a Second.

On a motion by Board Member Thomas Enright and seconded by Board Member Byron L. Lee, the Board approved LHC staff to begin preliminary phases of planning a Spring 2019 LHC Housing Conference; 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 with one (1) NO Vote from Board Member Donald B. Vallee.

OTHER BUSINESS

None.

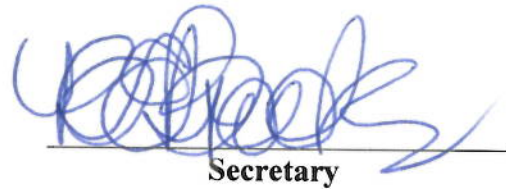
ADJOURNMENT

There being no other matters to discuss, Board Chairman Lloyd Spillers offered a motion for adjournment that was seconded by Board Member Byron L. Lee. There being no discussion or opposition, the motion passed unanimously.

The Full Board meeting adjourned at 12:16 p.m.



Chairman



Secretary

General Comments

Overall, it has been well prepared. I would like to submit to Staff and Full Board changes to be considered prior to any approval

1. There must be an Appeals Period for applicants
2. Pools as follows: Roll Preservation Pool into all pools (rather than separate)
 - a. NP/CHDO-10% as required (\$1,050,000) to include as a portion 18% for Preservation of existing properties
 - b. Rural – 30% (\$3,150,000) to include 18% portion for Preservation of existing properties
 - c. General Pool – 60% (\$6,300,000) to include 18% for Preservation of existing properties
3. Limit one application per pool per developer
4. Cap developer fee at \$1,500,000 and/or 15%
5. Cap TDC as per HUD but no changes or exceptions
6. Maintain minimum 60pt scoring
7. Maintain Credit limit to \$750,000
8. Increase sq. ft. to 600, 800, 1100, 1400, and 1600 for eff, 1br, 2br, 3 br and 4 br respectively
9. All projects must set aside 10% for 30% or below, 5% for veterans, and 5% for disabled
10. Reduce NHTF cap to \$300,000
11. Reduce TCAP cap to \$250,000
12. Limit Max tax credit to any one or combination of entity to \$1,000,00 cap
13. Increase Reserves for more adequate coverage