BOBBY JINDAL
GOVERNOR

DON J. HUTCHINSON
INTERIM EXECUTIVE DIRECTOR

Louisiana Housing Corporation

LHC Board of Directors

Board Meeting Minutes

Wednesday, August 8, 2012

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

Board Members Present

Michael L. Airhart
Mayson H. Foster
Alice Washington
Treasurer John N. Kennedy
Ellen M. Lee (arrived at 11:21 a.m.)
Matthew P. Ritchie
Willie Spears
Guy T. Williams, Jr.
Malcolm Young

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
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 11:04 a.m. Board Secretary Barry E. Brooks called the roll; there was a quorum.

APPROVAL OF MINUTES

Vice-Chairman Foster requested a correction on page 7 of 10 of the Minutes wherein the Roll Call Vote for Agenda Item #6 is denoted as 5 YES and 4 NO, with Chairman Airhart as voting YES, stating that the Minutes should be changed to correctly reflect that the vote from Chairman Airhart was NO.

On a motion by Board Member Dr. Daryl V. Burckel, seconded by Board Member Guy T. Williams, Jr., the Minutes of the July 10, 2012 LHC Board Meeting were approved unanimously, subject to the aforementioned correction.

On a motion by Vice-Chairman Mayson H. Foster, seconded by Board Member Matthew P. Ritchie, the Minutes of the July 11, 2012 LHC BOD Strategic Planning Workshop were approved unanimously.

LHC BOARD CHAIRMAN'S REPORT

Chairman Airhart advised that the August 7th Board Strategic Planning Workshop had been very productive, and that an update on the next phase would be given at the September BODM.

He also advised that the 2010 Housing Needs Assessment (HNA) had been put in the Board binders and that a formal request for a 2012 HNA would be suggested at the September BODM.

LHC INTERIM EXECUTIVE DIRECTOR'S REPORT

IED Don J. Hutchinson reported on the following items: recent tours of Mid-City Gardens, Elm Drive Senior Housing and Tangi Village; topics discussed at the SPW; invitation to the August 14th Village de Jardin Ribbon Cutting; and that he had been the keynote speaker at the recent Louisiana Housing Management Association Annual Conference in Marksville, LA.

Agenda Item #6 – Discussion regarding Village de Jardin

A PowerPoint was given by Michael Holly of Holly and Smith Architects on Village de Jardin.

Mr. Holly gave a historical background on the project, noting there are 10 garden homes, 24 carpet homes, 40 mixed use, and that the retail and service focused area is 8,000 square feet -- with 4,000 square feet being utilized by LSU Clinic. He presented a map of the property logistics along Lake Forest Boulevard, and noted that the single family garden homes have private space and/or a balcony, and that the mixed use apartments are all two-bedroom units.

Mr. Holly also noted that the project had cost $40,430,000.00 in FEMA Alternative Project funds.

Vice-Chairman Foster reminded everyone of the Tuesday, August 14th 10AM Ribbon Cutting Ceremony at VDJ.

Agenda Item #7 – Resolution regarding Associate Membership in the Federal Home Loan Bank of Dallas

Chief Financial Officer René Landry went over the specifics of the matter, noting that membership in the FHLB would allow the LHC to access advances from the FHLB at very reasonable interest rates between .25 and .30 percent.

Board Member Willie Spears inquired as to whether there were any deposit balance requirements. Mr. Landry advised that the program was based on collateral assets.

Chair Airhart requested that the record reflect that Board Member Ellen M. Lee arrived at 11:21am.

On a motion by Board Member Guy T. Williams and seconded by Board Member Malcolm Young, the resolution authorizing the Louisiana Housing Corporation to apply for associate membership in the Federal Home Loan Bank of Dallas; 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 the Louisiana Compliance Questionnaire for Audit Engagements of Governmental Entities.

Chief Financial Officer René Landry went over the specifics of the matter, and asked that the Board forward their signed letters on the matter to the Auditors if they had not already done so.

On a motion by Board Member Malcolm Young and seconded by Board Member Ellen M. Lee, the resolution to adopt the completed Louisiana Compliance Questionnaire for Audit Engagements of Governmental Entities, labeled 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 #9 – Resolution regarding Tax Credit Non-Compliant Developers

Program Administrator Brenda Evans went over the specifics of the matter, noting the developers on the list would not be able to participate in the 2013 fundings round.

Board Member Young inquired how long those listed would not be able to participate. Ms. Evans replied it would only be for 2013 QAP; she also discussed the criteria used to establish non-conformity.

Board Member Spears requested that the location of the projects be included on future lists.

Ms. Michelle Whetten with LAAHP inquired as to whether those on the list had been notified. Ms. Evans replied affirmatively.

Board Member Lee inquired as to the difference between those shaded versus non-shaded on the list. Ms. Evans noted that those shaded were not in compliance.

On a motion by Board Member Ellen M. Lee and seconded by Board Member Willie Spears, the resolution approving staff's recommendation regarding non-compliant developers under the 2013 Qualified Allocation Plan; 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 regarding Staff and Finance Team Implementation of New Strategies

Ms. Evans discussed the proposed strategy of Current Program 2012A Scenario A, the analysis of the eleven (11) poorest parishes in Louisiana, noting that the proposal was very fluid, that Financial Advisor Annie Lee had run the numbers, and that the Financial Team would be fully involved in the matter going forward.

There were further discussions between the Board Members and Ms. Evans regarding credit score parameters, symptoms of tighter credit, NIBP, TBA Program, and the Morgan Keegan and George K. Baum proposals. Ms. Evans advised that she was recommending approval.

Mr. Buck Landry of Raymond James Morgan Keegan discussed the effect of federal conventional rates and the probability that there would be no further issuances; he also discussed premiums, conventional market conditions, and Federal Reserve components.

Richard Wolcott and Glenn Weller of Standard Mortgage gave their perspectives on the TBA from a Master Servicer viewpoint; discussed Fannie Mae conventional programs and that Standard Mortgage would need assurance from Fannie Mae that the program would be around for more than just one (1) year so as to generate continued traction.

Mr. Wolcott noted that the LHC's 20% delinquency rate was primarily related to those clients having below 640 credit scores.

Ms. Charlotte Bourgeois of LAAHP addressed the Board and requested they be panelists at their upcoming workshop on October 11th.

On a motion by Board Member Willie Spears and seconded by Vice-Chairman Mayson H. Foster, the resolution to authorize and direct the Finance Team of Louisiana Housing Corporation ("Corporation") to implement a homeownership financing and/or refinancing program; 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 #11 – Resolution regarding Louisiana Energy Program Action Plan

Program Administrator Loretta Wallace went over the specifics of the matter, noting the purpose thereof was to bring the LIHEAP and WAP programs in-house for LHC to fully administer.

Board Member Treasurer Kennedy inquired as to what was the need to do such. Ms. Wallace advised that it was no longer practical to contract out the programs as funding was being reduced from $50M to $590K, and that while there were already dedicated and committed staff at LHC with the expertise needed to run the programs she felt that three (3) additional staff at entry level salaries of $52K were anticipated to be needed.

On a motion by Vice-Chairman Mayson H. Foster and seconded by Board Member Willie Spears, the resolution approving and accepting the Louisiana Energy Program Action 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 comment, a vote was taken, and the motion passed unanimously.

Agenda Item #12 – Resolution authorizing $6,890,000.00 for the NRPP

Chief Operating Officer Bradley Sweazy and Chair Airhart went over the specifics of the matter.

There were discussions on the matter between Treasurer Kennedy and Mr. Sweazy regarding audits, how invoices are paid, NENA staff and Board and salaries thereof, etc.

Mr. Sweazy advised that he'd provide more details on the matter to the Board.

Treasurer Kennedy and Chair Airhart requested data on how monies are spent on housing versus administrative overhead for the September BODM.

Mr. John Skavarka with Rebuilding Together New Orleans addressed the Board, advising that his organization's administrative overhead was around 3%, that his salary was $50K, and that they had built 22 houses with a goal of building 30 total.

On a motion by Board Member Ellen M. Lee and seconded by Vice-Chairman Mayson H. Foster, the resolution authorizing $6,894,000.00 for the Non-Profit Rebuilding Pilot Program ("NRPP"); 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 regarding Amendments to the Cooperative Endeavor Agreements between LHC and OCD for the First Time Homebuyer Program

Ms. Evans went over the specifics thereof, noting it was a housekeeping matter.

Chairman Airhart reiterated the need to have ALL documents including exhibits, attachments, amendments, etc., related to any Board Agenda item sent to the Board seven (7) days in advance.

On a motion by Board Member Guy T. Williams, Jr., and seconded by Board Member Willie Spears, 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 Division of Administration Office of Community Development ("OCD") for the First Time Homebuyer Program (CFMS # 673559); 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 – Resolution regarding selecting a Financial Advisor

Executive Counsel Keith Cunningham went over the specifics of that matter, advising that only two (2) proposals had been received, and that staff was recommending that Government Consultants, Inc. be chosen as Financial Advisor.

Gordon King of Government Consultants, Inc. addressed the Board, noting that he has a staff of ten (10) to assist with LHC matters, and that they adhere to Dodd-Graham regulations.

On a motion by Board Member Treasurer John N. Kennedy and seconded by Board Member Willie Spears, the resolution to approve and authorize the Louisiana Housing Corporation ("Corporation") to select and contract with Government Consultants, Inc., Consulting and Advisory Firm for Financial Advisor services; 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 #15 – Resolution regarding selecting an Executive Search Team.

Chairman Airhart advised that the matter would be DEFERRED until the September BODM, and that the EST would consist of Board Members Lee, Young, Williams, Burckel, and himself.

Agenda Item #16 – Discussion regarding proposed Bylaws amendment for the formation of Board Committees

Chairman Airhart went over the specifics of the matter, noting that the proposed Committees would be Administration, Single Family, Multifamily, Assets and Investments, Sustainable Housing, and Innovation, and that the matter would be voted on at the September BODM.

Treasurer Kennedy noted that he would prefer to be able to discuss items from Committee meetings at Full Board, wherein necessary. Mr. Cunningham advised that nothing would prohibit such.

Board Member Lee requested more specifics on the function and responsibility of each Committee, as well as the possible need for an Executive Committee.

Mr. Cunningham advised that an Executive Committee may be quorum-constrained and possibly statute restricted, but that he'd research the matter.

Chairman Airhart read a memorandum prepared by Mr. Cunningham concerning the Bylaws amendment process."Bylaw Amendment Process".

Mr. Cunningham advised that two-thirds of the voting Board Members must vote in the affirmative in order to amend the Board ByLaws.

Agenda Item #17 – Updates and Reports

Reports and/or Updates were given by Ms. Evans for Tax Credit and on All Non-Closed LHC Tax Credit Projects.

Mr. Sweazy noted that $8.2M had been allocated and received for HOME, and that an orientation on the HOME NOFA process would be given at the September BODM.

Ms. Wallace went over the Energy Programs Activity, and LACAP and ARRA WAP MAX matters. She also discussed the Risk Sharing Defaulted 202s.

Chairman Airhart requested that an analysis be done on the future plans, risks, goals, and strategies of the Risk Sharing Program be done for either the September or October BODM.

Ms. Wallace also discussed Willowbrook Apartments, noting that the Latter and Blum had been selected as the Property Manager, occupancy rate was around 87%, and that Latter and Blum would be linking their marketing strategy to Apartment Finders and Rent Finders via mobile app. Treasurer Kennedy and Vice-Chairman Foster advised the need to analyze if reducing rent for the 2-bedrooms would increase occupancy thereof.

Mr. Todd Folse discussed Village de Jardin, noting that had been a minor fire at the property on June 24th and that ORM would handle any costs thereof; that the landscaping vendor had done a great job on the landscaping; that 51 units are currently occupied, 28 lease applications have approved, and 145 total unite are currently available for lease.

Mr. Folse also addressed Mid-City Gardens, noting that contractor was working most urgently to complete the project, and that he anticipated completion of the residential portion of the project by the end of September. He also discussed issues with the Pella windows having failed a recent test.

Chairman Airhart reiterated the need for staff to timely bring info to the Board, and asked staff to not have any fear of doing such.

OTHER BUSINESS

Board Member Lee inquired as to whether the LHC recycles paper.

Mr. Sweazy advised that "...we're going to have a user friendly desktop for each of you with little monitors in the future."

ADJOURNMENT

There being no other matters to discuss, Board Member Ellen M. Lee offered a motion for adjournment that was seconded by Board Member Willie Spears. There being no discussion or opposition, the matter was unanimously passed.

The Full Board meeting adjourned at 1:40 P.M.

Chairman

Secretary