

BOBBY JINDAL
GOVERNOR



FREDERICK TOMBAR, III
EXECUTIVE DIRECTOR

Louisiana Housing Corporation

LHC Board of Directors

Board Meeting Minutes

Wednesday, July 10, 2013

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

Board Members Present

Michael L. Airhart
Dr. Daryl V. Burckel
Larry Ferdinand
Mayson H. Foster
Treasurer John N. Kennedy
Ellen M. Lee
Guy T. Williams, Jr.
Malcolm Young
Willie Spears

Board Members Absent

Matthew P. Ritchie

Staff Present

Fred Tombar
Bradley Sweazy
Barry E. Brooks
Brenda Evans
Rene' Landry
Danny Veals
Terry Holden
Todd Folse
Edselle Keith Cunningham, Jr.
Leslie C. Strahan
Victoria Hilton
Collette Mathis
Marjorianna Willman

Others Present

See Guest Sign-In Sheet

CALL TO ORDER

LHC Board Chairman Michael L. Airhart called the meeting to order at 12:08p.m. Board Secretary Barry E. Brooks called the roll; there was a quorum.

APPROVAL OF MINUTES

On a motion by Board Member Dr. Daryl V. Burckel and seconded by Board Member Larry Ferdinand, the Minutes of the June 12, 2013 LHC Board of Directors meeting were approved unanimously.

LHC BOARD CHAIRMAN'S REPORT

Board Chairman Michael L. Airhart extended thanks to everyone involved with the June 9th reception welcoming new LHC Executive Director Fred Tombar. The reception was sponsored by LAAHP (Louisiana Association of Affordable Housing Providers), LAHMA (Louisiana Affordable Housing Management Association), GNOHA (Greater New Orleans Housing Alliance), LHC (Louisiana Housing Council), and LHA (Louisiana Housing Alliance).

Chairman Airhart also noted that during a recent HUD audit, it was noted that they would be using the LHC's 6-part folder of records as a best business practice model.

Also, he noted at the recent NCSHA San Francisco Conference that the best session was the one regarding cost containment, and that sometimes in the near future he'd like to have the speakers do a presentation at LHC.

LHC EXECUTIVE DIRECTOR'S REPORT

ED Fred Tombar thanked everyone involved in his June 9th welcoming reception.

Additionally, he discussed: that he was glad to be back home to ensure housing needs of the citizens are taken care of; thanked the Governor's Office for their support of his leadership; he talked about his future goals for LHC; that LHC will soon commission an Housing Needs Assessment; he thanked former LHC IED Don Hutchinson for the good work he'd done in the LHFA-LHC transition; that the upcoming LHC Draft Strategic Plan will include performance measures and targets; he noted the uniqueness of LHC; he discussed the upcoming NCSHA

Conference in New Orleans and that LHC had submitted a total of seven (7) awards applications; and that he was very passionate about being back home and the vision of LHC.

ELECTION OF 2013-2014 LHC BOARD OFFICERS -- LHC BOARD CHAIRMAN AND VICE-CHAIRMAN

Next item discussed was the Election of the 2013-2014 Board Officers.

Board Member Mayson H. Foster nominated Mr. Michael L. Airhart for Board Chairman.

Hearing no other nominations for Board Chairman, Board Member Foster moved for a Roll Call Vote.

There being no further discussion, opposition, or public comments, a Roll Call Vote was taken, and the motion passed 8 (YES) to 0 (NO), and 1 ABSENT. The votes were as follows:

YES (Dr. Daryl V. Burckel, Guy T. Williams, Jr., Mayson H. Foster, Ellen M. Lee, Willie Spears, Malcolm Young, Larry Ferdinand, John N. Kennedy); NO (None); ABSENT (Matthew P. Ritchie).

The vote to elect Michael L. Airhart the 2013-2014 LHC Board of Directors Chairman passed unanimously.

Newly elected Chairman Airhart took over the meeting proceedings. He noted his thanks to everyone and that he was looking forward to working towards putting together great housing programs.

Chairman Airhart opened up the floor for the nominations for Board Vice-Chairman.

Board Member Dr. Burckel nominated Mr. Mayson H. Foster for Board Vice-Chairman, and Board Member Williams seconded.

Hearing no other nominations for Board Chairman Airhart moved for a Roll Call Vote.

There being no further discussion, opposition, or public comments, a Roll Call Vote was taken, and the motion passed 8 (YES) to 0 (NO), and 1 ABSENT. The votes were as follows:

YES (Dr. Daryl V. Burckel, Guy T. Williams, Jr., Michael L. Airhart, Ellen M. Lee, Willie Spears, Malcolm Young, Larry Ferdinand, John N. Kennedy); NO (None); ABSENT (Matthew P. Ritchie).

The vote to elect Mayson H. Foster the 2013-2014 LHC Board of Directors Vice-Chairman passed unanimously.

MULTIFAMILY COMMITTEE REPORT

MC Chairman Guy T. Williams, Jr. noted that the Committee had met earlier and recommended approval of the resolution regarding the Villa Additions, 202 Risk Sharing Property.

On a motion by Board Member Guy T. Williams, Jr. and seconded by Board Member Dr. Daryl V. Burckel, the resolution authorizing and directing staff and counsel to transfer the existing Mortgage and Regulatory Liens for the Villa Additions, 202 Risk Sharing Property, to a vacant site in St. Tammany Parish, Louisiana in order to protect the financial interests of the Louisiana Housing Corporation and the United States Department of Housing and Urban Development (“HUD”) in connection with the prior approval of HUD and the Louisiana Housing Finance Agency of the demolition and the transfer of Villa Additions to the new site; 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.

The next item discussed was the resolution regarding the award of HOME Funds and 4% LIHTC to certain residential rental facilities. Ms. Evans went over the specifics of the matter and the five (5) awardees, and that staff was recommending approval thereof. MC Chairman Williams noted that the Committee was likewise recommending approval of the resolution.

On a motion by Board Member Guy T. Williams, Jr. and seconded by Board Member Larry Ferdinand, the resolution approving the final rankings and award of applications under the 2013 HOME Funds Initiative to certain residential rental facilities; 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.

Next item discussed was regarding the Issuance of a HOME Initiative. Ms. Evans discussed the program descriptions to reach rural and underserved communities; that \$3M was available; that the program specifics will include public comments and Board input; and that she'd bring the matter back for approval at the August BODM.

MC Chair Williams advised that at their earlier meeting the Committee had received updates on Non-Closed Projects, as well as HOME and NSP Updates.

ADMINISTRATIVE COMMITTEE

AC Chairman Malcolm Young noted that the Committee met earlier and had discussed the resolution prohibiting the LHC from video streaming meetings of the LHC BOD, and further prohibiting purchase of equipment and technology for that purpose.

On a motion by Board Member Guy T. Williams and seconded by Board Member Willie Spears, the resolution prohibiting the LHC from video streaming meetings of the LHC BOD, and further prohibiting purchase of equipment and technology for that purpose; and providing for other matters in connection therewith, was moved to debate.

Treasurer Kennedy inquired as to what was the purpose of the prohibition. Chairman Airhart and Board Member Young advised that it would result in savings in the budget, as well as to ensure that there would be no grandstanding at the Board meetings as they've seen exhibited in similar venues.

Treasurer Kennedy countered that other State entities video stream their public meetings or display them on the internet, and that he thought the prohibition was not a good idea as it might be seen as an attempt to deny the public access to information.

Board Member Williams referenced problems at the New Orleans School Board meetings.

Board Member Dr. Burckel noted that unless there are specific known incidents that he felt that the prohibition was not necessary.

Board Member Spears concurred with Mr. Williams, noting that the measure was not to try to hide any Board actions from the public and that he felt video streaming was not effective.

Treasurer Kennedy noted that he was not aware of any grandstanding tactics, that the measure would be cost effective for the public who travel long distances to attend the Board meetings; that the prohibition was contrary to the Governor's Office transparency philosophy, and that if the prohibition was approved by the Board it may result in future legislation specific to LHC mandating video streaming.

There were continued lengthy discussions on the item.

Treasurer Kennedy and Board Member Ferdinand requested that an Opinion on the prohibition from the Governor's Office would be best before any decisions are made on the matter.

There was a substitute motion by Board Member Larry Ferdinand, and seconded by Board Member Treasurer Kennedy, to POSTPONE until the August 14, 2013 BODM, the resolution prohibiting the LHC from video streaming meetings of the LHC Board of Directors, and further prohibiting purchase of equipment and technology for that purpose; and providing for other matters in connection therewith, was moved to debate.

There being no further discussion, opposition, or public comments, a Roll Call Vote was taken, and the motion FAILED via 3 (YES) to 6 (NO), and 1 (ABSENT). The votes were as follows:

YES (Larry Ferdinand, Treasurer John Kennedy, Michael Airhart)

NO (Dr. Daryl Burckel, Mayson Foster, Ellen Lee, Willie Spears, Guy Williams, Jr., Malcolm Young).

ABSENT (Matthew P. Ritchie).

On a motion offered by Board Member Guy T. Williams, Jr., and seconded by Board Member Willie Spears, the resolution prohibiting the LHC from video streaming meetings of the LHC Board of Directors, and further prohibiting purchase of equipment and technology for that purpose; and providing for other matters in connection therewith, was moved to debate.

There being no further discussion, opposition, or public comments, a Roll Call Vote was taken, and the motion FAILED via 2 (YES) to 5 (NO), 2 (ABSTAIN) and 1 (ABSENT). The votes were as follows:

YES (Willie Spears, Guy T. Williams)

NO (Dr. Daryl Burckel, Larry Ferdinand, Mayson Foster, Treasurer John Kennedy, Malcolm Young).

ABSTAIN (Michael Airhart, Ellen Lee)

ABSENT (Matthew P. Ritchie).

There was a motion offered by Treasurer John Kennedy to Suspend the Rules to Add to the Agenda an item to allow for video streaming meetings of the LHC Board; and providing for other matters in connection therewith, was moved to debate. The matter DIED for lack of a second.

After more lengthy discussions, Chairman Airhart concurred with Treasury Kennedy that an Opinion from the Governor's Office on the matter be brought before the Board at the August meeting, noting that he'd reach out to the Administration and get an answer and bring it back at the August meeting, along with a cost analysis.

The next item discussed was a resolution regarding transitioning the total operation of the Permanent Supportive Housing Project Based Voucher Program to the LHC.

On a motion by Board Member Malcolm Young and seconded by Board Member Ellen M. Lee, the resolution authorizing the transition of the total operation of the Permanent

Supportive Housing (“PSH”) Project Based Voucher Program to the Louisiana Housing Corporation (the “Corporation”); 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.

Next item briefly discussed by Chair Young was the matter regarding the LHC Employee Development Plan. He noted that the matter was in final revision phase and would be presented to the Board at the August meeting.

Chair Young also advised that the Draft Strategic Plan was online for the public to comment on; and that an update on the Shared Human Resources Initiative as discussed earlier by the Committee.

SINGLE FAMILY COMMITTEE REPORT

In the absence of SF Chairman Matthew Ritchie, the Committee meeting was chaired by Board Chairman Airhart.

There was a brief synopsis by Ms. Evans regarding the resolution regarding the issuance of \$50M of LHC SFMRB Series 2013.

On a motion by Board Member Dr. Daryl V. Burckel and seconded by Vice-Chairman Mayson H. Foster; the resolution approving and authorizing the issuance of not exceeding fifty million dollars (\$50,000,000) of Louisiana Housing Corporation Single Family Mortgage Revenue Bonds, Series 2013 in one or more series or subseries; approving the forms of the Series Supplemental Trust Indentures in connection with the aforesaid Bonds; approving a Notice of Intention to Sell at Private Negotiated Sale and authorizing the publication thereof; requesting the State Bond Commission to approve the aforesaid documents and approve the issuance, sale and delivery of the Bonds; 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.

Ms. Evans noted that the various Single Family Program Updates were in the Board binders.

ASSETS AND INVESTMENTS COMMITTEE

AIC Chair Dr. Daryl V. Burckel noted that the Committee had not met earlier, and that updates were in the Board binders.

He also noted that Willowbrook was at 90% occupancy with a \$1.1M cash flow; that Village de Jardin was at 96% occupancy with \$130K in profits; and that Mid-City Gardens was at 78% occupancy with a \$52K net loss currently.

SUSTAINABLE HOUSING COMMITTEE

SHC Chair Ellen M. Lee, Chair Airhart noted that the Committee had not met earlier, and that Program Updates were in the Board binders.

OTHER BUSINESS

There was a discussion regarding administration of the Small Rental Property Program by the Shaw Group. Shaw Group representatives were Luke LeBas of CBI and his colleague Mr. Keith Domenici.

Mr. LeBas handed out a letter dated June 28th regarding the matter, noting that better scrutiny, better policies and reviews were being implemented, and that an internal audit of the program had done as detailed in the letter.

There were further lengthy discussions between the two Shaw representatives and various Board members and LHC Chief Operating Officer Bradley Sweazy.

Chair Airhart requested that the final investigation report be provided to the Board.

Treasurer Kennedy inquired as to when Cap Fund has been selected, the selection process and criteria, the names of the selectors, etc. Mr. LeBas advised that the selection was based on past satisfactory performance via an Inter-Team Member Agreement and was not done via bid or RFP.

Mr. Sweazy noted that the matter had actually been processed by OCD via bid and an RFP originally. Treasurer Kennedy inquired as to how their four (4) subcontractors are monitored. Mr. LeBas replied that they used accounting staff processes to verify invoices.

Treasurer Kennedy inquired as to their markup protocol. Mr. LeBas noted that he would provide the info at a later date.

Treasurer Kennedy requested that at the August Board meeting that they bring before the Board their Auditor(s) and Accountant(s) to ensure that someone is thoroughly monitoring the matter.

Board Member Williams inquired as to the number of hours did Shaw allow its staff to work in a 24-hour time span in compliance with OSHA regulations and industry standards.

Chair Airhart requested representatives of the Shaw Group come back and appear before the Board at the August Board meeting to answer the aforementioned and other questions.

ADJOURNMENT

There being no other matters to discuss, Board Member Larry Ferdinand 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 1:21P.M.



Chairman



Secretary