



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, November 14, 2018

**2415 Quail Drive
V. Jean Butler Board Room
Baton Rouge, LA 70808
10:30 A.M.**

Board Members Present

Lloyd "Buddy" Spillers
Ron J. Henson (on behalf of Louisiana State Treasurer John M. Schroder)
Derrick Edwards
Stacy S. Head
Byron L. Lee
Gillis R. Windham
Willie Rack
Donald B. Vallee

Board Members Absent

Tammy P. Earles
Jennifer Vidrine
Larry Ferdinand

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
Lauren Hartley-Holmes

Others Present

See Guest Sign-In Sheet

CALL TO ORDER

Board Chairman Lloyd "Buddy" Spillers called the meeting to order at 11:30am. Board Secretary Barry E. Brooks called the roll; there was a quorum.

APPROVAL OF MINUTES

Next item discussed was the October 24, 2018 Board Meeting Minutes.

On a motion by Board Member Derrick Edwards and seconded by Board Member Willie Rack, the Minutes of the October 24, 2018 LHC Board of Directors Meeting were unanimously approved.

BOARD CHAIRMAN'S REPORT

Board Chairman Spillers advised the Board that there will be LIHTC 101 Training in the upcoming month(s) with an overview of LHC's primary responsibilities thereof discussed.

Board Secretary Brooks advised the Board that Board Ethics Training for 2018 will take place on Wednesday, December 12th prior to the start of the Full Board Meeting.

LHC EXECUTIVE DIRECTOR'S REPORT

LHC Executive Director E. Keith Cunningham, Jr. delivered his report, noting that there would be a November 19th meeting with the City of New Orleans, and that he would provide a synopsis from the meeting to the Board.

LHC Director of Recovery Housing Robby Bizot discussed an upcoming CDBG Funding Round of \$23M for 13 Katrina-Rita parishes.

ED Cunningham furthered, noting he had recently attended a ribbon cutting in Franklinton.

ED Cunningham expressed the LHC's and the State's gratitude and thanks to outgoing Louisiana Housing Authority Executive Director Nicole Sweazy.

Ms. Sweazy addressed the Board and advised that she had accepted a position as Senior Consultant to TAC.

Board Chairman Spillers thanked Ms. Sweazy for her devotion and service to the LHC and the State.

AGENDA ITEM #5

Next item discussed was the resolution issuing \$11.5M of MHRB for LaPlaya Apartments in Baton Rouge, Louisiana.

Board Chairman Spillers noted that the matter had been discussed earlier in the Multifamily and Assets Committee meeting, and the Committee had recommended approval thereof.

On a motion by Board Member Derrick Edwards and seconded by Board Member Gillis R. Windham, the resolution of intention to issue not exceeding Eleven Million Five Hundred Thousand Dollars (\$11,500,000) Multifamily Housing Revenue Bonds for La Playa Apartments (6515 Hanks Drive) Baton Rouge, Louisiana 70812, in one or more series to finance the acquisition, construction, rehabilitation, and equipping of a multifamily housing development within the State of Louisiana; to establish the maximum qualified basis and low-income housing credits to La Playa Apartments; to authorize 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 Minimum Square Footage and Full Bathrooms Per Unit Type required in the 2018 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. There was one (1) NO Vote from Board Member Donald B. Vallee.

AGENDA ITEM #6

Next item discussed was the resolution issuing \$9M of MHRB for Cypress Pointe in Bogalusa, Louisiana.

Board Chairman Spillers noted that the matter had been discussed earlier in the Multifamily and Assets Committee meeting, and the Committee had recommended approval thereof.

On a motion by Board Member Derrick Edwards and seconded by Board Member Willie Rack, the resolution of intention to issue not exceeding Nine Million Dollars (\$9,000,000) Multifamily Housing Revenue Bonds for Cypress Pointe, in one or more

series to finance the acquisition, construction, rehabilitation, and equipping of a multifamily housing development within the State of Louisiana; to establish the maximum qualified basis and low-income housing credits to Cypress Pointe; to authorize 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 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. There was one (1) NO Vote from Board Member Donald B. Vallee.

AGENDA ITEM #7

Next item discussed was the resolution approving changes to Brook Pointe Apartments in Lafayette, Louisiana.

Board Chairman Spillers noted that the matter had been discussed earlier in the Multifamily and Assets Committee meeting, and the Committee had recommended approval thereof

On a motion by Board Member Donald B. Vallee and seconded by Board Member Gillis R. Windham, the resolution approving changes to Brook Pointe Apartments located at 516 North Pierce Street, Lafayette, Lafayette Parish, Louisiana; authorizing the Corporation staff and counsel to prepare the forms of such documents and agreements as may be necessary; 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 issuing \$55M of LHC SFMRRB.

LHC Director of Housing Production Ms. Brenda Evans discussed the specifics of the matter.

LHC Financial Advisor Mr. Gordon King discussed the Cost of Issuance and rationale for the matter to proceed.

On a motion by Board Member Donald B. Vallee and seconded by Board Member Gillis R. Windham, the resolution approving and authorizing the issuance of not exceeding Fifty-five Million Dollars (\$55,000,000) of Louisiana Housing Corporation Single Family Mortgage Revenue and Refunding Bonds in one or more series or subseries; approving the form of a Series Supplemental Trust Indenture in connection with the aforesaid Bonds; requesting the State Bond Commission to 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.

AGENDA ITEM #9

Next item discussed was the LHC Programs Updates and Reports

LHC COO Bradley Sweazy did a PowerPoint presentation (**available upon request**) highlighting the 1st, 2nd, and 3rd Quarter Highlights, Production Reports, Maps of Committed HOME Funds, Completed Housing Credit Units, etc.

Board Member Edwards complimented the LHC staff on their accomplishments and successes.

Board Member Vallee reiterated his concerns to disperse funds statewide and not to concentrate in a few areas primarily.

Board Member Vallee requested that the “Rules for Use of HOME Funds” be provided to Board Member Stacy Head.

Ms. Evans discussed the MRB Program, Delinquency Report, 640 credit score, etc.

Chairman Spillers advised that he would confer with Single Family Committee Chairwoman Vidrine to schedule an upcoming SFC so the reports could be discussed more in-depth.

COO Sweazy discussed the Energy Program Activity Reports, noting that TAT La. had utilized 80% of the funds.

ED Cunningham reminded the Board Members that Updates and Reports are prepared monthly and put in the back of Board binders, and that in 2019 there would be Quarterly discussions thereof instead of monthly.

Board Member Vallee requested a calendar or schedule of future funding rounds and other pertinent LHC program particulars.

Board Chairman Spillers concurred with ED Cunningham, noting that the next discussion regarding Updates and Reports would be in three (3) months.

Board Member Vallee requested a future Multifamily and Assets Committee meeting to discuss the LHC Properties.

Board Chairman Spillers and ED Cunningham suggested the LHC Properties be discussed during the next Administrative and Finance Committee meeting.

AGENDA ITEM #10

Next item discussed was the QAP and the issuance of LHC Bonds and Waiver Requests.

Board Chairman noted the matter had been discussed in the earlier Multifamily and Assets Committee meeting, and that No Action from the Board was needed.

Board Member Head requested a schedule of any upcoming CDBG Funds, NOFAS, QAPs, etc.

ED Cunningham and COO Sweazy said they would be working on developing a Time and Uses and Allocation Process schedule.

AGENDA ITEM #11 – EXECUTIVE SESSION

Board Member Donald B. Vallee moved that pursuant to La. R.S. 42:17, the Board enter into Executive Session:

*The purpose for the executive session is **pursuant to La. R.S. 42:17, to discuss strategies concerning prospective litigation related to HUD Findings regarding the LHC's Administration of the HOME Investment Partnership Program, when an open meeting would have a detrimental effect on the bargaining or litigating position of the public body.***

The motion to enter into Executive Session was seconded by Board Member Byron L. Lee.

**A Roll Call was done to Enter Executive Session. Votes were as follows:
YES (Mr. Spillers, Mr. Henson, Ms. Head, Mr. Lee, Mr. Rack, Mr. Vallee).
NO: None.**

The motion passed unanimously.

The Board entered into Executive Session at 12:21 p.m.

On a motion by Board Member Willie Rack and seconded by Board Member Byron L. Lee the Board exited Executive Session at 12:46 p.m.

A Roll Call was done to Exit Executive Session. Votes were as follows:

**YES (Mr. Spillers, Mr. Henson, Ms. Head, Mr. Lee, Mr. Rack, Mr. Vallee).
NO: None.**

The motion passed unanimously.

OTHER BUSINESS

On a motion by Board Member Byron L. Lee and seconded by Board Member Donald B. Vallee, the Board moved to request additional information as related to the recent External Audit Report; 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.

Board Member Henson requested additional information as related to the significant deficiency finding in internal controls regarding general ledger mispostings; and as related to the \$2.654M cash balances not being covered by FDIC.

Board Member Henson requested a written response to the aforementioned, as well as to whether LHC had completed a Management Reply to the External Audit findings.

Board Member Vallee noted that he had not had time to review the External Audit and that he was concerned that the Board had received it late. Accordingly, he requested that at the next Administrative and Finance Committee meeting the External Audit be discussed more in-depth.

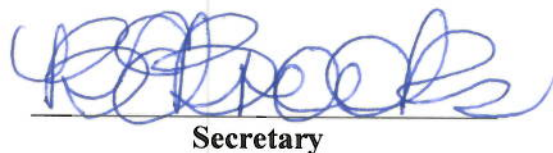
Board Chairman Spillers concurred, stating "...it will be official from now on. The auditors should give us ample time, not a few days, a week or better, when they're going to be ready for their exit audit; if they don't, they're going to have to wait for that exit interview and it will be made with the Administrative and Finance Committee from this day forward...."

ADJOURNMENT

There being no other matters to discuss, Board Member Willie Rack offered a motion for adjournment that was seconded by Board Member Donald B. Vallee. There being no discussion or opposition, the motion passed unanimously.

The Full Board meeting adjourned at 12:51 p.m.


Chairman


Secretary