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# Louisiana Housing Finance Agency



## Special Programs HOME Program

Loretta Wallace, Program Administrator  
Tina Powell, Program Administrator

February 1, 2008

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## **M E M O R A N D U M**

**To:** Commissioner Larry J. Broussard – Chairman  
Commissioner Danette O’Neal  
Commissioner Guy Williams  
Commissioner Merriell F. Lawson  
Commissioner Mark Madderra

**From:** Loretta Wallace, Program Administrator  
Tina Powell, Program Administrator

**Date:** February 1, 2008

**Re:** Special Programs Committee

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There will be a Special Programs Committee meeting, Wednesday, February 13, 2008 at 11:00 a.m., at Louisiana Housing Finance Agency, Committee Room 1, located at 2415 Quail Drive, Baton Rouge, LA.

The following topics will be discussed:

### **HOME**

- HOME Reconciliation Update

### **HOUSING TRUST FUND**

- Discussion of the 120%/80% AMI
- Discussion/Recommendation of the Housing Trust Fund Underwriter

If you have any questions or concerns, please contact us.

February 1, 2008

**Special Programs and Program Initiatives Committee**

Notice is hereby given of a regular meeting of the Special Programs and Program Initiatives Committee, to be held on Wednesday, February 13, 2008 at 11:00 a.m., Louisiana Housing Finance Agency, Committee Room 1, located at 2415 Quail Drive, Baton Rouge, LA, by the order of the Chairman.

**Preliminary Agenda**

1. Call to order, roll call and introduction of guests.
2. Approval of minutes from the November 14, 2008 Committee Meeting.
3. HOME Update
  - HOME Reconciliation Update
4. Housing Trust Fund
  - Discussion of the 120%/80% AMI
  - Discussion/Recommendation of the Housing Trust Fund Underwriter
5. Other Business
6. Adjournment

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Milton J. Bailey, President

If you require special services, please call Barry Brooks at (225) 763-8700 by Monday, February 11, 2008.

### HOME RECONCILIATION AS OF 1/31/08

<b>HOME Entitlement Funds ( less CHDO Set-aside)</b>	<b>\$ 9,705,890.91</b>	<b>\$ 9,705,890.91</b>
<b>Available in IDIS</b>		

**Funds to Be committed in IDIS**  
**2007**

<b>2007 A Single Family Issue</b>	<b>\$ 475,661.88</b>
<b>2007 B Single Family Issue</b>	<b>\$ 2,370,123.46</b>
<b>2007 C Single Family Issue</b>	<b>\$ 3,751,650.10</b>
<b>Bacmonilla Gardens</b>	<b>\$ 2,724,552.00</b>
<b>2007 ADDI</b>	<b>\$ 183,362.00</b>
<b>2007 Total</b>	<b>\$ 9,505,349.44</b>
	<b>\$ 9,505,349.44</b>

**2006**

<b>2006 A Single Family Issue</b>	<b>\$ 1,000,000.00</b>
<b>2006 B Single Family Issue</b>	<b>\$ 191,704.87</b>
<b>2006 C Single Family Issue</b>	<b>\$ 204,851.94</b>
<b>2006 D Single Family Issue</b>	<b>\$ 662,700.72</b>
<b>Rapides Station</b>	<b>\$ 10,000.00</b>
<b>CHDO Initiative</b>	<b>\$ 748,687.45 (1)</b>
<b>2006 ADDI</b>	<b>\$ 173,291.00</b>
<b>Hammond sub-grantee</b>	<b>\$ 500,000.00</b>
<b>2006 Total</b>	<b>\$ 3,491,235.98</b>
	<b>\$ 3,491,235.98</b>

**2005**

<b>Rehab</b>	<b>\$ 290,976.00</b>
<b>Rehab</b>	<b>\$ 40,951.51</b>
<b>TBRA</b>	<b>\$ 63,071.08</b>
<b>2005 Total</b>	<b>\$ 394,998.59</b>
	<b>\$ 394,998.59</b>

**2003**

<b>RESTORE-Richland Parish</b>	<b>\$ 452,500.00</b>
<b>CHDO Pilot Program</b>	<b>\$ 1,253,500.00</b>
<b>Single Family Rural Habitat</b>	<b>\$ 200,269.00</b>
<b>2003 Total</b>	<b>\$ 1,906,269.00</b>
	<b>\$ 1,906,269.00</b>

<b>TOTAL AMOUNT TO BE COMMITTED IN IDIS</b>	<b>\$ 15,297,853.01</b>	<b>\$ 15,297,853.01</b>
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<b>TOTAL HOME BALANCE</b>	<b>\$ (5,591,962.10)</b>	
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Note 1: \$3,000,000 is our CHDO Initiative. \$2,251,312.35 is already deducted from our 2007 CHDO reservation and \$748,687.65 comes out of entitlement.

**Louisiana Housing Finance Agency  
Special Programs Meeting Minutes  
Wednesday, November 14, 2007  
2415 Quail Drive  
Committee Room 2  
Baton Rouge, LA 70808  
10:00 A.M.**

**Committee Members Present:**

Chairman Larry J. Broussard  
Commissioner Merriell F. Lawson  
Commissioner Mark Madderra  
Commissioner Guy Williams

**Committee Members Absent:**

Commissioner Danette O'Neal  
Commissioner Kevin J. Brown

**Legal Counsel Present:**

Wayne Neveu, Foley & Judell  
Leslie Strahan, LHFA

**Staff Present:**

Loretta Wallace  
Tina Powell  
Mary Brooks  
Patricia Hampton  
President Milton Bailey  
Chairman Wayne Woods

**Others Present:**

(See attached Sign-In Sheet)

Commissioner Broussard called the meeting to order at 11:15 a.m. He then inquired of Chairman Woods if Commissioner Kevin Brown could be replaced by Commissioner Guy Williams, or if an additional member could be added. Chairman Woods agreed, and for purposes of establishing a quorum removed Commissioner Kevin Brown from the Committee. Roll call was taken and a quorum was established.

Chairman Broussard then asked for introduction of guests and staff, after which he obtained a motion to approve the minutes of the October 10, 2007 Special Programs Committee meeting.

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**On a motion by Commissioner Merriell F. Lawson and a second by Commissioner Guy Williams, the minutes of the October 10, 2007 Special Programs Committee meeting were approved.**

Discussion began on the Louisiana Housing Trust Fund Guidelines. Chairman Broussard stated he met with some developers and asked them to give him some insight as to what they thought should be changed. As he proceeded to go through the recommendations, it was brought to his attention that changes had been made since the draft he was working with. Leslie Strahan commented there would be no fees at all, stating they did not have statutory authority to charge the fees. Commissioner Broussard commented that on the draft and suggested that the group should eliminate the requirement for audited financial statements from applicants since the Housing Trust Fund will be generally program funded and not applicant equity funded. Ms. Strahan stated that she felt that the language was necessary, but that the guidelines do allow for some flexibility with newly formed business entities where the audited financials are not available. Commissioner Broussard conceded to not change the requirement of an audited financial statement.

Commissioner Broussard continued that his developer contacts had asked to meet with him because they felt they had come to a few meetings, had some input, but were ignored in terms of what was done in the follow up.

He referred to page 15 in his draft -- “Financial Capacity”. He suggested equating Financial Capacity/feasibility of a development with the ability of the developer to obtain permanent and construction loan commitments (page 32 Special Programs Binders). Ms. Strahan said she is concerned about that suggestion because there is so much that is taken into feasibility study and feels that might be an over simplification. She said the comment about “Permanent and construction loan commitments” might be better suited for the section that talks about the 25% match--like what counts for the 25% match.

Ms. Strahan addressed Commissioner Broussard stating it seems like the developers you talked to are really upset about the audited financials. She added, they do realize that if they do not have audited financials they are allowed to explain why. He agreed that the LHFA should have some type of upfront, financial statement.

Commissioner Broussard proceeded...On page 19 in his original draft, it states “Projects must contain 25 units or less, and at least 50% of the units (under “Rental Development - B. Permanent Supportive Housing” in the Special Programs binder). It was noted this had been changed. Ms. Strahan stated they received substantial input from the Department of Health and Hospitals to attempt to have our language mirror the permanent supportive housing language in the tax credit QAP, and was pretty sure that any language dealing with permanent supportive housing has been modified since the earlier draft.

Commissioner Broussard asked how it had been changed. The response was that if a developer receives points for Permanent Supportive Housing, then no less than 11% and no more than 50% of the units within the housing development may be reserved for Permanent Supportive Housing.

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Commissioner Broussard also suggested that language requiring the applicant from having to provide rental subsidies for at least 50% of the units for the permanent supportive housing section of the guidelines be deleted. Randy Nichols of the Capital Alliance for the Homeless noted that this is the same requirement as in the last QAP and noted that that language only applied for those seeking points as permanent supportive housing developments. Another advocate added that in permanent supportive housing projects under the Housing Trust Fund, only  $\frac{1}{2}$  of the units are PSH; so we are talking about no more than  $\frac{1}{4}$  of the units they need this for, so it's not as onerous as it might appear if taken out of context.

At this point Chairman Woods noted there were two major issues: the Audited Financial Statement and the Permanent Supportive Housing units. Chairman Woods suggested if everyone was in consensus if these issues could be addressed at Full Board.

Commissioner Williams added that the stepless entry, requirement be waived for areas south of I-12 because he was concerned that with the new FEMA guidelines new structures have to be a minimum of 3 feet up. Robyn Wagner of DHH commented there are some adaptations that could be done to do what he needs and they could get that information. She stated there is an expert in Louisiana who is on loan from the Federal Government who they can ask to consult with us.

Chairman Woods requested that the Committee approve the Guidelines, subject to those two items, approve recommendation to the Board and take the items up at Full Board.

**Moved by Commissioner Merriell Lawson and seconded by Commissioner Guy Williams to accept the amendments to the Guidelines.**

Just as Commissioner Broussard asked for a motion to adjourn the meeting, Wayne Neveu interrupted. He brought up an issue discussed at the Multifamily Committee meeting involving St. Bakhita that includes a project that was funded with HOME funds--a little over \$2 million. He stated that Commissioner Madderra asked them to see if they could meet and come up with a consolidated approach to moving toward foreclosure within the next 3 weeks. Staff met with Providence and with the developer, representatives in connection with that development. The following proposal is acceptable to all at this point, he stated.

Currently Ujaama owns the site and HOME Funds is the first mortgage. That site, based upon staff recommendation, will be transferred to Providence with the first mortgage being in place. Providence will then ground lease all of Building 12 to the development entity that has the tax credits and the development entity will then pay its share of the HOME loan based upon 75% of the surplus cash from the development that is being put together with the tax credits. With respect to Building 12, which is not part of the development's structure, 100% of the cash flow is to be utilized to pay off the HOME loan. And with that, he requested that the Committee acknowledge that agreement, that they direct staff to process whatever agreements and other documents are appropriate to implement that design, and that it be done so that the closing could occur before the next Board meeting.

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Chairman Broussard then suggested a motion be made, placed in writing before the end of the Full Board meeting and included as a new item. **Commissioner Lawson so moved; seconded by Commissioner Madderra.**

There being no further business, on a motion by Commissioner Madderra and seconded by Commissioner Lawson, the meeting was adjourned at 11:55 a.m.