
Louisiana Housing Finance Agency



Legal Department

Terri Ricks, General Counsel
Christine Bratkowski
Keith Cunningham
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December 9, 2009

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MEMORANDUM

To: Commissioner Allison A. Jones, Chairman
Commissioner Mark Maderra
Commissioner Guy Williams
Commissioner Katie Anderson
Commissioner Susan Sonnier

From: Terri Ricks, Christine Bratkowski, Keith Cunningham and Leslie Strahan, Legal Department

Date: November 25, 2009

Re: Legal Committee

A regular meeting of the Louisiana Housing Finance Agency Legal Committee will be held on Wednesday, December 9, 2009, at 11:30 a.m., Louisiana Housing Finance Agency, in Committee Room 1, located at 2415 Quail Drive, Baton Rouge, LA, by order of the Chairman.

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

December 9, 2009

LEGAL COMMITTEE MEETING

A regular meeting of the Louisiana Housing Finance Agency Legal Committee will be held on Wednesday, December 9, 2009, at 11:30 a.m., Louisiana Housing Finance Agency, in Committee Room 1, located at 2415 Quail Drive, Baton Rouge, LA, by order of the Chairman.

FINAL AGENDA

1. Call to order, roll call and introduction of guests.
2. Approval of the minutes of the November 11, 2009 Legal Committee Meeting.
3. Discussion of the Meadows Project #07/08 (FA)-37, (East McNeese and 5th Avenue, Lake Charles, Louisiana, Calcasieu Parish).
4. Other Business.
5. Adjournment.

Milton J. Bailey, President

Pursuant to the provisions of LSA-R.S. 42:6.1, upon two-thirds vote of the members present, the Board of Commissioners of the Louisiana Housing Finance Agency may choose to enter Executive Session, and by this notice, the Agency reserves its right to go into Executive Session as provided by law.

LOUISIANA HOUSING FINANCE AGENCY

The following resolution was offered by _____ and seconded by _____

RESOLUTION

A resolution conditionally authorizing the removal of the General Partner, Olsen Securities Corporation, (OSC), from The Meadows, #07/08(FA)-37, (Intersection of McNeese & 5th Avenue, Lake Charles, LA 70606) as stipulated in the 2006 and 2007/2008 forward allocation GO-Zone QAP by Louisiana Housing Finance Agency with respect to project's submitting a request for such removal of the managing general partnership; and providing for other matters in connection therewith.

WHEREAS, the Louisiana Housing Finance Agency (the "**Agency**" or "**LHFA**") has been ordered and directed to act on behalf of the State of Louisiana (the "State") in applying for, implementing, allocating of administering programs, grants and/or resources made available pursuant to Section 42 of the Internal Revenue Code (the LIHTC Program);

WHEREAS, the staff of the LHFA has received a request from the construction lender and tax credit investor to approve the removal of the general partner evidenced in the original Tax Credit Application (the "Original Application") of the taxpayer/owner of The Meadows, #07/08(FA)-37, which is located at Intersection of McNeese and 5th Avenue, Lake Charles, LA 70606; and

WHEREAS, approval of removal of the general partner identified in the original application to allow a new General Partner would otherwise constitute a material change, except that the Governor's Office of Community Development ("OCD") has communicated a continued commitment to the project; and

WHEREAS, the approval of the change in the managing partner with the concurrence and approval of OCD is to permit The Meadows (#07/08(FA)-37) to be completed and to provide the needed affordable housing in one of OCD's priority parishes but that the approval of such removal shall not stand as precedent for any change in the future since this change is solely the result of OCD's infusion of substantial amounts of CDBG Funds; and

WHEREAS, staff has reviewed the request to substitute a new general partner and is conditionally recommending approval of the request for the removal of the current General Partner, Olsen Securities Corporation to be replaced by Meadows Partnership II, LLC, subject to the following conditions being satisfied:

A) Submission of satisfactory evidence of a surety sufficient to guaranty the completion of the project as evidenced in a new LIHTC reprocessing application;

B) Submissioon of a guaranty of OCD's CDBG loan by key principals with sufficient net assets and liquidity to pay back any advance of CDBG funds to OCD in the event that the construction of the project is not completed;

C) Receipt of an an acknowledgement and agreement by the construction contractor that the project will be completed within the construction budget evidenced in the reprocessing application and within the specified timeline in the application;

D) Submission of a payment and performance bond from the general contractor satisfactory to LRA/OCD and LHFA;

E) Receipt of a report by an independent third party construction consultant retained by LHFA at the developer's expense that the estimate and certificate of actual costs and/or schedule of values is fair, reasonable and consistent with the costs of constructing similar projects within the geographic market of this project;

F) Receipt of written approval and concurrence by OCD of (i) the change in the managing general partner and (ii) the feasibility and viability report in connection with the reprocessingl;

G) Receipt of an acknowledgment and agreement of the Olsen Securities Corporation as the general partner identified in the Original Application of its removal from the taxpayer/owner entity and a satisfactory hold harmless agreement from Olsen Securities Corporation with respect to the LHFA's concurrence in its removal as general partner;

H) Receipt (i) from Olsen Security Corporation of a certificate executed under penalties of perjury with respect to all consideration received by Olsen Security Corporation or to persons related to or having an identity of interest with Olsen Securities Corporation in connection with the Original Application and development of The Meadows and that Olsen Security Corporation has no agreement, written or otherwise, providing any compensation and/or consideration in connection with its removal as general partner and (ii) from the new general partner and the taxpayer/owner of The Meadows that no compensation and/or consideration has been or will be made to Olsen Security Corporation or to persons related to or having an identity of interest with Olsen Securities Corporation;

I) Receipt of a written confirmation from OCD and First NBC CD, LLC that the original default triggering the change in GP has been cured; and,

J) Submission of a complete reprocessing application, including all financial and other documentation required as though the reprocessing was an original tax credit

application and receipt thereafter of a report from Foley & Judell indicating that the project remains feasible and viable.

NOW, THEREFORE, BE IT RESOLVED by the Board, acting as the governing authority of said agency that:

SECTION 1. Staff's recommendation to conditionally allow the replacement of Olsen Securities Corporation as the general partner by The Meadows Partnership II, LLC is hereby approved subject to all of the conditions enumerated in the preamble hereto which is hereby incorporated by reference hereto being satisfied.

SECTION 2. The LHFA staff and counsel are authorized and directed to prepare such documents and agreements as may be necessary to implement the Board's actions.

SECTION 3. The Chairman, Vice-Chairman, President, Vice-President, and or Secretary of the LHFA be hereby authorized, empowered and directed to execute any forms and or documents required to be executed on behalf of and in the name of the LHFA, the terms of which are to be consistent with the provisions of this resolution as approved by the LHFA counsel.

This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 14th day of October, 2009.

Chairman

Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Commissioners of the Louisiana Housing Finance Agency (the "Board"), do hereby certify that the foregoing two (2) pages constitute a true and correct copy of a resolution adopted by said Board on October 14, 2009 captioned, "A resolution conditionally authorizing the removal of the General Partner, Olsen Securities Corporation, (OSC), from The Meadows, #07/08(FA)-37, (Intersection of McNeese & 5th Avenue, Lake Charles, LA 70606) as stipulated in the 2006 and 2007/2008 forward allocation GO-Zone QAP by Louisiana Housing Finance Agency with respect to project's submitting a request for such removal of the managing general partnership; and providing for other matters in connection therewith."

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the LHFA on this, the 14th day of October, 2009.

Secretary

(SEAL)

**Louisiana Housing Finance Agency
Legal Committee Meeting Minutes
Tuesday, November 10, 2009
2415 Quail Drive
Committee Room 2
Baton Rouge, LA 70808
11:30 A.M.**

Commissioners Present

J. Mark Madderra
Guy Williams
Mayson Foster
Katie Anderson

Commissioners Absent

Allison A. Jones
Susan Sonnier

Legal Counsel Present

Keith Cunningham
Terri Ricks
Christine Bratkowski
Leslie Strahan

Staff Present

Keith Cunningham
Terri Ricks
Milton J. Bailey
Christine Bratkowski
Melanie Brocato
Leslie Strahan

Others Present

N/A

Commissioner Mayson Foster called the meeting to order at 11:50 a.m. and asked for roll call. A quorum was established.

1. **Call to order, roll call and introduction of guests.**

2. **Approval of the minutes.** A motion was made by Commissioner Mayson Foster with a second by Commissioner Guy Williams to approve the minutes of the August 12, 2009 committee meeting. The minutes were approved.

Discussion and Resolution approving the amendment of the Foley and Judell Consultant Contract to include TCAP and 1602 closings and providing for other matters in connection therewith. Commissioner Guy Williams made a motion to pass the resolution with a second by Commissioner Katie Anderson. The motion passed.

3. Other Business. A brief discussion on The Meadows.
4. Adjournment. The committee adjourned at 12:02 a.m.