

# **Louisiana Housing Finance Agency**



## **Administration Department**

**June 7, 2007**

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June 7, 2007

## **LHFA FULL BOARD**

Notice is hereby given of a regular meeting of the LHFA Board of Commissioners to be held on **Wednesday, June 13 at 11:00 A.M.**, Louisiana Housing Finance Agency, V. Jean Butler Boardroom, located at 2415 Quail Drive, Baton Rouge, Louisiana, by order of the Chairman.

### **Preliminary Agenda**

1. Call to order, roll call and introduction of guests
2. Approval of the Minutes of the May 9, 2007 Full Board Meeting
3. Chairman's Report
4. President's Report
  - Strategic Plan
  - 15-year Lease Purchase Program
5. Finance Committee Report
  - Approval of and recommendation to Full Board for adoption of the Fiscal 2007-2008 Budget
  - Other Business
6. Multifamily Committee Report
  - A resolution of intention to issue Multifamily Housing Revenue Bonds to finance the acquisition, rehabilitation and equipping of a multifamily housing project; authorizing not exceeding \$17,000,000 Multifamily Housing Revenue Bonds (Jefferson Lakes Apartments Project) in one or more series; and providing for other matters in connection therewith.
  - A resolution authorizing not exceeding \$11,200,000 Multifamily Housing Refunding Bonds (The Reserve at Jefferson Crossing) in one or more series; and providing for other matters in connection therewith.

➤ Ratification of actions by Czars:

- Audrey Heights –Request to reduce number of units by 10% or 4 units from the original 40 unit project.- Approved
- Bywater Art Lofts – Request to reduce number of units from 54 to 37 units, change one of the 31 one bedroom units to a manager's unit, change in legal description and reduction in LIHTC from \$765,000 to \$736,191.- Deferred
- Canterbury House Apartments- Request to underwrite all market rate units at 60% AMI.- Denied
- M & T Development – Requested reduction in number of units for several projects by not more than 5% due to increased costs in insurance rates. – Approved
- Hope Offsite Development I, II & III – Requested return of reserved credits in exchange for 2006 Per Capita credits and Administrative member change. Denied
- Woodland Glen - Request to change the project to a “lease to own” project. - Approved
- Pebble Creek – Request to change of the Managing Member and carryover extension request.- Denied
- St. Joe's Lofts – Requested separate ownership of the historic and new construction.- Deferred
- Marquis Apartments – Request extension to meet Carryover until August 31, 2007 due to environmental clearance issues.- Deferred

➤ A resolution establishing the maximum qualified basis and low-income housing credits to Bacmonila Garden Apartments; authorizing the Agency 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.

7. Legal Committee Report

- Update on Katrina Cottages Cooperative Endeavor Agreement and FEMA AHPP Agreement
- Update on Willowbrook and Gaslight Litigation
- Discussion of Year 15 Policy and Procedures (Qualified Contracts) IRS Code Section 42(h)(6)(E)(i)(II)
- Request for Proposals (RFP's)

6/7/2007

Full Board Agenda

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8. Single Family Committee Report
  - Updates on the 2007A, 2006D, 2006C, 2006BR, 2006B, 2006AR, 2006A Issues and Whole Loan Report
9. Special Programs/HOME Committee Report
  - HOME Reconciliation Report Update
10. Energy Committee Report
  - Program activity summary of services delivered in the Low-Income Home Energy Assistance Program (LIHEAP), LIHEAP Crisis Assistance, LIHEAP Supplemental Assistance, LIHEAP Katrina and Rita Crisis Assistance and the Weatherization Assistance Program (WAP)
11. Other Business
  - Ethics Training Presentation
12. Adjournment

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**Milton J. Bailey, President**

If you require special services, please contact Barry Brooks at (225) 763 8773  
no later than Monday, June 11, 2007.

Full Board Meeting Minutes

May 9, 2007

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**Louisiana Housing Finance Agency  
Full Board Meeting Minutes  
Wednesday, May 9, 2007  
2415 Quail Drive  
V. Jean Butler Board Room  
Baton Rouge, LA 70808  
11:00 A.M.**

**Commissioners Present**

Wayne E. Woods

Lisa Woodruff-White

Alice Washington for Treasurer John N. Kennedy

Dr. Adell Brown, Jr.

Greg Gachassin

Allison A. Jones

Larry J. Broussard

Guy T. Williams

**Commissioners Absent**

Philip Miller

Bob Austin

Mark Madderra

Danette O'Neal

Merriell F. Lawson

Kevin J. Brown

Carolyn B. Burris

**Legal Counsel Present**

Wayne Neveu, Foley & Judell

**Staff Present**

Barry Brooks

Brenda Evans

Tina Powell

Tim Shackelford

Louis Russell

James Gilmore

Rene Landry

Keith Cunningham

**Others Present**

See Sign-In Sheet Attachment

## **DISCUSSION SESSION**

Due to lack of a quorum, Chairman Woods began a discussion session at 12:35pm pending the arrival of Commissioner Woodruff-White. Chairman Woods requested the Gaslight and Willowbrook group begin the session with their presentation and asked VP James Gilmore to introduce the speakers. VP James Gilmore introduced guest Regis Bergeron from Facility Planning, Dottie Smith from C. Spencer Smith Architects – the lead on the Gaslight development, and Cassie Regan with Holly Smith Architects – the lead on the Willowbrook development. VP Gilmore also informed the Board that in their binders was a CD-Rom from photos taken three weeks prior from a site visit coordinated by Chairman Woods for everyone's review. He stressed his pleasure at the rehabilitation and redevelopment progress being made at Willowbrook; and that Gaslight was going to have to be demolished and rebuilt because of the extensive level of damage.

Regis Bergeron from La. State Facility Planning and Control Group began stating he has been involved in both projects since November 2005. He stated though the project has been arduous they have completed many milestones. He noted Ms. Dottie Smith who has in charge of Willowbrook Apartments had successfully gotten the roof put back on and the enclosures done on the 2<sup>nd</sup> and 3<sup>rd</sup> floor. Ms. Smith noted that the project had been split into two portions to ensure proper remediation and removal of the damaged and molded materials so that they could have an open wall to see more damage in terms of rotten woods, termites, etc. The full assessment was done shortly after remediation was finished and they packaged the whole project and went to bid three times; the submittals for preconstruction have been reviewed and Bldg D which was a fire-damaged building has accordingly been removed. Also, Entergy, Cox, phone and security services, etc. are progressing. Chairman Woods requested additional info on the fireplaces and reasons for the change in design thereof. Ms. Smith explained that there was tremendous water damage to the 2<sup>nd</sup> and 3<sup>rd</sup> floors due to the chimneys. Their initial intention was to recapture the space of the unit and put a computer station or a closet in lieu of the actual fireplace unit, however when they removed some of the siding it was revealed that the chimney shafts were attached very loosely to the frame of the building. Thereafter, it was determined it would be better to remove the entire shaft in its entirety down to the slab and build over it. Chairman Woods continued inquiring as to what FEMA would be paying for towards the project(s). Ms. Smith noted FEMA calls remediation "enhancements". She spoke about a meeting held with FEMA wherein they informed her they would okay only removal of damaged material due to the storm and not for vandalism or element exposure. She stressed the importance of the aesthetic endeavors in an effort to get the communities back and that the lagoons, pumps, and ponds are scheduled and planned to be back in full operation.

Mr. Bergeron followed up with additional information noting the need to remove the chimneys was due to severe water damage and instability concerns due to poor construction. He also stressed the potential fire hazards and the possibility that the chimneys may not be rebuilt except in the main office area or other specified areas but not in each unit.

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Chairman Woods reminisced about Willowbrook and the need for cost analysis in upgrading the appliances and/or the countertops. Ms. Smith concurred on the need for the countertops to be upgraded, briefly discussed replacement material type options, and that she would get with a contractor to provide some information for the Board to review. Concluding, she stated she'd submit a list of items and their associated costs for the various upgrades.

Chairman Woods informed Rene Landry, LHFA CFO, of the need for the revenues to go into separate accounts – the accounts of which have about \$9,000,000.00 currently.

Commissioner Williams inquired as to who the property manager was for this matter. Chairman Woods informed him that prior to the storm it was Barron Developers and that currently there was no property management contract in place. Commissioner Williams followed up stating that it would be more reasonable to ask the property managers to give an analysis of the particulars of what the tenants are actually looking for in so far as nice amenities are concerned. Chairman Woods requested a response from the presenters. Ms. Smith responded that ALOHA who worked for the previous management company was on the walk-around site visit and that her input was very beneficial in giving a history on the properties and was in agreement on the light fixtures and the appliances being upgraded. Commissioner Broussard inquired as to the location (inaudible). Chair Woods informed everyone that both properties were in New Orleans East with Willowbrook being on Bundy on the lakeside of the interstate right behind the previous Wal-Mart location. He continued by discussing the lack of adjacent property development schemes and the need for future enhancements such as wireless internet, good playground equipment, etc.

Cassie Regan with Holly and Smith Architect spoke next on Gaslight noting they had a kickoff design meeting the previous week and that they were in the program evaluation completion phase of the project and the demolition package pending upcoming brainstorming sessions they were planning. She noted the project is a complete demolition and rebuilt. In conclusion, she also informed the Board they have upcoming FEMA strategy meetings planned in furtherance of the project's completion in conjunction with FEMA guidelines.

Chairman Woods noted he had attended a community meeting the previous week on Gaslight wherein the conceptual design aspects to develop one continuous housing development corridor of the property between Crowder and Bundy and the I-10 Service Road and Lake Forest with elderly and single family housings in a gated community type of atmosphere were some primary aspects discussed. Additionally, he had a meeting with the landowners thereafter and had requested they submit a community development schematic plan particularly if there was a reduction in density. Cassie thereafter discussed the 180-day deadline parameters they were working under for bid submittals in order to complete their program objectives. Chairman Woods reiterated that there are many additional questions needing to be addressed and answered in so far as reducing the number of units and increasing the unit size, questions that need to be answered by HUD as to what type of waivers will be needed, and also that the community center that is to be built will be accessible to all the tenants regardless of whether they are elderly or

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single family residents. He also noted that the City has been made aware of the plans in so far as parcel acquisitions and zoning requirements are concerned.

Commissioner Broussard requested confirmation that Gaslight would be completely demolished. Chairman Woods responded affirmatively. Commissioner Broussard followed up inquiring info on the Willowbrook bridges matter. Ms. Smith noted that the bridges were small pedestrian bridges that lie over the lagoons and most probably would not be covered by FEMA expenditures. He also requested clarification as to whether it was definite that there would be no more chimneys. Ms. Smith responded that the matter is still pending finalization pending updates on the design requirements but was not likely due to previous wind concerns from FEMA and insurance requirements, and additionally because each shaft would have to be reframed. VP James Gilmore directed the Board to the CD in their binders stressing the photos thereof would give everyone a more accurate picture of what the design concerns entailed.

Chairman Woods continued the discussion session inquiring info on the Gaslight asbestos removal aspects. Cassie noted this was part of the on-going remediation packaged and that the property was being demolished and should be completed in the next two weeks or so. Regis continued that the actual timeframe of the contract is about 2-3 weeks from completion and that he had visited the site a few weeks ago and the contractor was demobilizing the area taking generators off and that he was wrapping up the paperwork currently and knows that the asbestos has basically been removed and all that is left is some minor final cleanup projects and the paperwork submission for final payment processing is expected to be delivered very shortly. Chairman Woods followed up wanting to know if the outside gate would be torn down. Cassie explained that they have not yet identified if the outside gate is part of the demolition project and that the image of the gate as you drive up to the property is something that will be discussed at their initial brainstorming session.

There were then some brief discussions about the pending Cindy Place project. Chairman Woods advised that Cindy Place was included in the whole contiguous project because there was a canal then Cindy Place and then Gaslight. Cassie followed up giving some info on the project schematics. Chairman Woods inquired to Louis Russell as to whether he was aware if Savoy had returned credits. The responses from Louis and others in the audience were inaudible.

Regis talked more about the preliminary design aspects for the architects and that there is an upcoming meeting for FEMA and the architect representatives to look very closely at the guideline parameters and the improved/alternate project criteria.

Chairman Woods thanked the presenters and applauded their efforts.

Commissioner Broussard inquired on the timeframe aspects for the Willowbrook project. Keith Cunningham responded that the timeframe was set for the end of 2007 as there is work being done on a pattern for developing the front of the unit towards the back and they may even have some units before year's end. He also noted the very positive on-going construction projects at the Willowbrook site, per the recent visit to the property.

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Chairman Woods asked Mr. Cunningham is he was aware of a contact list for the former tenants. Keith noted that a list had been requested from ALOHA and that a representative had contacted him the previous Friday and told him that she'd be bringing him a list the next day, but that he has been unsuccessful in following up on the delivery of the list. Chairman Woods continued the discussion on whether there had been any conceptual design decisions on the laundromat and daycare location possibilities. Keith noted that due to HUD limitations the matter is still being discussed. Chairman Woods asked whether the \$9,000,000 reserve account had been used for anything other than to pay expenses. CFO Rene Landry responded affirmatively that any expenditure would have to be an expense directly relating to the properties and that the account is also a part of the agency's general fund reserves backing any outstanding debt.

Chairman Woods informed everyone that someone was being sent to bring Commission Woodruff-White to the meeting in an effort to establish a quorum.

Keith Cunningham, responding to Chairman Woods' inquiry, informed him that the CD distributed only contained photos of the sites and some surrounding areas.

The discussion session continued via Chairman Woods with the Legal Committee. Commissioner Jones noted that the committee had met earlier and discussed the status of the Katrina Cottages Cooperative Endeavour Agreement and FEMA AHPP Agreement. The Agency has submitted all of the information to finalize the Agreement and is awaiting FEMA's response for additional information. The Legal Committee strived to ensure that the Agency had met all the requests, requirements, and documents production as specified and that the Agency was still awaiting FEMA's response thereof and could not proceed forward until said response is received.

Chairman Woods inquired as to whether there had been any final negotiations on the per unit costs and the overhead costs completion aspects. Mr. Cunningham responded that all applicable information has been completed and submitted to FEMA. Chairman Woods followed up wanting to know if any funds had been transferred to the Agency. Mr. Cunningham responded that no funds have been transferred since the final agreement has not been received that would serve as a catalyst for the funds to be transferred thereof. He also stated that he has submitted rough drafts of the agreement to the Legal Committee for review to iron out the rough spots and areas deemed needing further negotiations. Mr. Cunningham anticipates completion of the review within the next week

Commissioner Jones continued with a Report on the Willowbrook and Gaslight Litigation. She noted that out of Executive Session with Attorney Wendell Clark it was determined that a due diligence report is needed in order to review all the documents in the case matter and to reach a best strategy mode in regards to both the properties and the litigation. She noted that Mr. Clark will report back to the Legal Committee during the June 2007 meeting and a recommendation will be presented to the Board thereafter on how to best further proceed with the litigation.

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Next item Commission Jones discussed was the Discussion of Year 15 Policy and Procedures (Qualified Contracts) IRS Code Section 42(h)(6)(E)(i)(II). She advised the matter is still pending some items needing resolve and the Legal Committee had determined to defer the issue(s) for the June 2007 meeting.

Chairman Woods inquired to Commissioner Broussard if there were any Special Program items needing to be discussed. Commissioner Broussard responded that though the Committee did not have a meeting, they did have an item to discuss and would prefer for a Full Board Quorum. He thereafter deferred the floor to Ms. Tina Powell. Ms. Powell talked about the 2008 HOME portion of the Action Plan. She described the Action Plan as a HUD regulatory item that requires all states to submit to HUD every year a Plan that details how HUD funds, specifically the 5 Formula Grants, will be spent. The HUD document includes allocations for activities as well as policies – for these reasons alone, she deemed the document needed review by the Board. She directed the Board to review page SP-11 in their binders which she had condensed as best as possible to make it more user-friendly. She noted that out of the 5 Formula Grants, the LHFA only administers the HOME Grant. Accordingly, the Agency will be undertaking basically four (4) activities: down payment assistance, rehabilitation, development of multifamily new construction, and development of single family new construction. She also noted that the Consolidated Plan which is a 5-year Strategic Plan document required by HUD in addition to the yearly Action Plan, will be up for rewriting and/or resubmittal in 2008. She concluded noting the Board will be kept abreast of the Plans and their submissions to HUD.

Chairman Woods inquired as to whether there were any significant differences in the current Plan items to be submitted as opposed to the previous submittals. Ms. Powell responded though the policy and activity information remains the same, there will be changes in the allocation amount. Ms. Powell also noted that if any public comments are received, the changes will be forwarded to the Board for review and approval. There were some audible discussions thereafter.

Chairman Woods continued inquiring about the CHDO operating expenses allocation parameters. Ms. Powell described the application process noting some ambiguities in the process. Mr. Curtis Ferrara followed up with a response (inaudible). Commissioner Broussard asked how many CHDO's exist. Both Ms. Powell and Mr. Ferrara replied the last count was 23. Commissioner Broussard continued inquiring on the CHDO funds disbursement process. Ms Brenda Evans responded that the operating income is allocated via application submittal for eligibility determination with a \$20,000.00 application amount initially distributed pending further viable project review and analysis in order to get the remaining \$50,000.00 that is dispensed in quarterly amounts of \$10,000.00. Commissioner Brown inquired about the capacity assistance requirements. Ms. Evans noted that there are classes for the CHDO's to attend periodically throughout the year – the last class was held on Financial Management held at LHFA two months prior. She noted there are currently no concrete statistics to denote the effectiveness of the classes.

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Ms. Powell noted the need to adopt the Plan for public comment. Chairman Woods reminded everyone that the item would need to be discussed at such time a quorum had been met.

Ms Powell continued by discussing the Home Reconciliation, noting the document(s) were on page SP-8. She noted that \$23,000.00 was missing from the HOME Program and that she anticipated its resolve by the end of the week. She stressed there was no malice in the matter and that the difference was due to a reconciliation imbalance. There were some inaudible comments by Curtis Ferrara detailing the reconciliation process for the Board. The Board thanked Ms. Powell for informing them of the reconciliation imbalance and for keeping them likewise updated.

Chairman Woods recognized Commissioner Gachassin to discuss any Committee items in the interim of a quorum. Commissioner Gachassin noted there were some issues pending in the Standard Mortgage as Master Servicer contract matter. He noted that after talking with some of the underwriters and bond counsels he had been advised of the potential difficulties in pushing some of the remaining A-issues into Standard Mortgage's Master Servicer but to prior commitments to US Bank. He also spoke on the HDS software integration matter noting that HDS is still behind in releasing the new version of the software and implementation thereof. He continued that the Agency's IT group has decided to continue with Standard Mortgage under the current version and when the new version comes out to required Standard Mortgage to handle the upgrades implementations.

Commissioner Gachassin furthered, noting that the lender compensation after some lengthy discussions should stay at 2.25%. He then noted that the Agency should remain with Freddie Mac as opposed to Fannie Mae because Freddie Mac has been buying bonds in the past few years at a deep discount. The last issue resolved around noting that it has been decided by the Underwriting Team that the underwriters' fee is to be split between the lead underwriter receiving 50%, co-writer at 30%, and other writers at 20%.

Chairman Woods inquired as to whether any of the items referenced by Commissioner Gachassin required any action be taking by the Board. Commissioner Gachassin responded that the splitting of the underwriters' fee may need to be addressed since it reduces the number from four to three participants which will alter the current policy.

Commissioner Brown inquired as to the goal of reducing the number from four to three. Thereafter, Chairman Woods and Commissioner Greg Gachassin gave a brief history of the underwriters' selection and participation process.

The discussion continued with Chairman Woods (inaudible) noting the actions ratified by the Czars, in particular Renaissance Place and Hideaway/St. Landry – all of which the staff had sent favorable recommendations for extension requests until June 15, 2007. Brenda Evans thereafter noted that Providence Properties were being extended for sixty (60) days, though based on their satisfactorily meeting established benchmarks working towards completion. She furthered noted that the request for extension was granted based on risk-sharing property concerns as well as financial and legal issues detailed in a March 9<sup>th</sup> correspondence from Providence Properties.

Chairman Woods inquired as to what the benchmarks entailed. Louis Russell noted one of the requirements was that by July 1, 2007, applications would be submitted to HUD for review of the architectural plans on Annunciation, Nazareth Inn I and II, St. John Berchman Manor, and Delille Inn. Also, there are some 318 transfer issues pending with All Saints and Nativity Apartments. There was then some inaudible comments from a male audience member noting that the main goal for the properties in question was to get the tenants back and that he anticipated a Christmas 2007 opening date. Commissioner Gachassin asked when the Agency could expect to be relieved from the indenture obligation matter. There was an inaudible response from a female audience.

There was a loud burst of applause as Commissioner Lisa Woodruff-White entered the room securing a **Full Board quorum.**

**Chairman Woods called the meeting to order at 1:40PM.** He then asked that the roll be called. Barry Brooks did the roll call and thereafter a quorum was reached. Note there was no introduction of guests (see attached Sign-In Sheet). Chairman Woods then requested the minutes of the April 18, 2007 Full Board Meeting be approved by his fellow Commissioners after one correction to reflect that Commissioner Kennedy was actually present.

**On a motion by Commissioner Jones and seconded by Commissioner Broussard the minutes of the April 18, 2007 Full Board meeting were approved. There being no further discussions or oppositions, the matter was unanimously passed.**

### **MULTIFAMILY COMMITTEE REPORT**

Chairman Woods, in the interest of time, requested that the seven (7) proposed Multifamily Resolutions be taken in their entirety.

The first item was a request for approval of a resolution accepting the proposal of Morgan Keegan & Company, Inc. for the purchase of not exceeding Twelve Million Dollars (\$12,000,000) of Louisiana Housing Finance Agency Multifamily Housing Bonds (**Autum Chase Apartments Project**) in one or more series; fixing the parameter terms of said bonds and otherwise providing with respect to said bonds; and providing for other matters in connection with the foregoing.

The second item was a request for approval of a resolution accepting the proposal of Oppenheimer for the purchase of not exceeding Seven Million Twenty Thousand Dollars (\$7,020,000) of Louisiana Housing Finance Agency Multifamily Housing Bonds (**Bacmonila Garden Apartments Project**) in one or more series; fixing the terms of said bonds and otherwise providing with respect to said bonds; and providing for other matters in connection with the foregoing.

The third item was a request for approval of a resolution accepting the proposal of Citizens Bank or its designated affiliate for the purchase of not exceeding Two Million Dollars (\$2,000,000) of Louisiana Housing Finance Agency Multifamily Housing Bonds (**Pine Terrace Apartments Project**) in one or more series; fixing the parameter terms of said bonds and otherwise providing with respect to said bonds; and providing for other matters in connection with the foregoing.

The fourth item was a request for approval of a resolution accepting the proposal of Morgan Keegan & Company, Inc. for the purchase of not exceeding Nine Million Two Hundred Fifty Thousand Dollars (\$9,250,000) of Louisiana Housing Finance Agency Multifamily Housing Bonds (**Spanish Arms Apartments Project**) in one or more series; fixing the parameter terms of said bonds and otherwise providing with respect to said bonds; and providing for other matters in connection with the foregoing.

The fifth item was a request for approval of a resolution of intention to issue Multifamily Housing Revenue Bonds to finance the acquisition, rehabilitation and equipping of a multifamily housing project; authorizing not exceeding One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) Multifamily Housing Revenue Bonds (**Breaux Bridge Broussard Phase II Project**) in one or more series; and providing for other matters in connection therewith.

The sixth item was a request for approval of a resolution of intention to issue Multifamily Housing Revenue Bonds to finance the acquisition, rehabilitation and equipping of a multifamily housing project; authorizing not exceeding One Million Dollars (\$1,000,000) Multifamily Housing Revenue Bonds (**Candlewood Estates Phase II Project**) in one or more series; and providing for other matters in connection therewith.

The seventh item was a request for approval of a resolution of intention to issue Multifamily Housing Revenue Bonds to finance the acquisition, rehabilitation and equipping of a multifamily housing project; authorizing not exceeding One Million Two Hundred Fifty Thousand Dollars \$1,250,000 Multifamily Housing Revenue Bonds (**Oakwood Estates Phase II Project**) in one or more series; and providing for other matters in connection therewith.

**On a motion by Commissioner Jones and seconded by Commissioner Dr. Brown, the foregoing seven (7) resolution was approved in their entirety. There being no further discussions or oppositions, the matters were unanimously passed.**

Chairman Woods continued the meeting introducing the next item which was a resolution of ratification by the Board “Czars” (Woods, Madderra, Bailey) approving carryover extension requests for:

- Renaissance Place –Extension to meet carryover June 15, 2007.
- Hideaway / St. Landry Renaissance Place – Extension to meet carryover for June 15, 2007.
- Providence Community Housing Properties- Extension to meet carryover for July 1, 2007 subject to benchmarks showing they are making progress on the projects.

- St. Martin Manor #06(2)-150
- St. John Berchman Manor #06(2)-151
- Delille Inn #06(2)-152
- Nazareth Inn I #06(2)-153
- Annunciation Inn #06(2)-155
- All Saints Apartments #07/08(FA)-32
- Nativity Apartments #07/08(FA)-33
- Nazareth Inn II #07/08(FA)-34

**On a motion offered by Commissioner Gachassin and seconded by Commissioner Williams, the foregoing resolution was ratified. There being no further discussions or oppositions, the matter was unanimously passed.**

Next items the Board discussed was for the approval of the HOME portion of the Action Plan Estimated Allocation of HOME Dollars by Activity. Chairman Woods reminded the Board the documents of which were in their binders.

**On a motion by Commissioner Jones and seconded by Commissioner Gachassin it was moved that the Board adopt the 2008 HOME Investment Partnerships Financial Fund Annual Allocation and Plan Approval with Estimated Allocations. There being no further discussions or oppositions, the matter was unanimously passed.**

### **LEGAL COMMITTEE REPORT**

Chairman Woods noted there were no actions to be taken by the Legal Committee.

### **SINGLE FAMILY COMMITTEE REPORT**

The only action for the Single Family Committee was for the ratification for the 2007B Issue for the \$100,000,000 that the Finance Team recommends be issued via George K. Baum as the lead, Morgan Keegan, and then Seibert Brandford Shank – the split being 50%, 30%, and 20% respectively.

**On a motion by Commissioner Gachassin and seconded by Commissioner Jones the foregoing resolution stating that the 2007B Issue in the amount of \$100,000,000 be issued via George K. Baum as the lead, Morgan Keegan, and then Seibert Brandford Shank – the split being 50%, 30%, and 20% respectively. There being no further discussions or oppositions, the matter was unanimously passed.**

**ADJOURNMENT**

Chairman Woods acknowledged that the Budget was still pending review by the Board Commissioners and would be discussed at the June 2007 Board Meeting. There being no other matters to discuss, Chairman Woods offered a motion for adjournment that was seconded by Commissioner Jones. There being no further discussions or oppositions, the matter was unanimously passed. **The Full Board meeting adjourned at 1:46pm.**

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**Chairman**

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**Secretary**



## LOUISIANA HOUSING FINANCE AGENCY

### FULL BOARD MEETING

Wednesday, May 9, 2007

#### Guest Sign-In Sheet

GUEST NAME	FIRM
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PLEASE, PLEASE PRINT

1. John Godfrey The Godfrey Firm
2. Carliss Knutson Hancock Bank
3. Bob Jackson Reliance
4. Debbie Blundin Reliance
5. Will Belton AMZ
6. Buck Landry Morgan Keegan
7. Bart S. Manus NHPC
8. James Freeman Standard Enterprises

# FULL BOARD

PLEASE PRINT CLEARLY

	GUEST NAME	FIRM
9.	Jamie Nettle	Nettle Development
10.	Mark Turrentine	Standard Enterprises, Inc.
11.	Telli Franklin	Refcoos Bank
12.	Pam Hammond	Elkins, PSC
13.	Larry Englehart	Guar Bank
14.	Levi Davis	Siebert Bradford Shurtliff
15.	Terri North	Providence Community Housing
16.	Maren Weller	Standard Mortgage Corp.
17.	Richard Wolcott	" "
18.	Edgar Bright	" "
19.	Judith Moran	HANS
20.	Jeff Gullion	EBR MFA
21.	Watson Barger	The Bank of New York Trust

# FULL BOARD

**PLEASE PRINT CLEARLY**

**GUEST NAME**

**FIRM**

22. KK Andrew

LHFA

23. Ryan Whittington

Triple R Corp.

24. Jeanie Yarbrough

CSC Advisors

25. Tim Shackelford

LHFA

26. Shawn McBarry

Cook Rose

27. Kelly Longwell

28. \_\_\_\_\_

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29. \_\_\_\_\_

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34. \_\_\_\_\_

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# Louisiana Housing Finance Agency



## Strategic Plan 2007 - 2016





# Louisiana Housing Finance Agency Strategic Plan 2007 - 2016





# Louisiana Housing Finance Agency Strategic Plan 2007 - 2016

After the devastating hurricanes of 2005, the LHFA has been thrust into the national spotlight as legislators and housing advocates alike demand a fair and efficient dispersal of housing funds in order to expedite the state's profound shortage of shelter affordable to low-income families. Today, as nearly a million Louisianans live without adequate housing, the LHFA must transform itself into an agency that can effectively fulfill its role as the premier affordable housing advocate in the state.

As Louisiana's principal housing finance agency, we are in a unique position to stimulate the construction of thousands of affordable housing units in each of the coming years. To move us closer to meeting the housing needs of all Louisianans, we have established a ten-year milestone - to finance 100,000 new homes affordable to low- and moderate-income Louisianans. We have already set the pace for such an enormous task by funding an unprecedented 12,000 new units in 2006 alone. Only by maintaining this drive and acquiring new support can this ambitious goal be realized.

This report establishes the Louisiana Housing Finance Agency's (LHFA) strategic plan for the next ten years, from 2007 to 2016. It is an ambitious plan, rooted in the agency's mission and supported by the fundamental principles that guide the LHFA daily. By carrying out the policies laid out in this plan, the LHFA will bring Louisiana closer to an equitable future, in which all families have a safe, affordable, and desirable place to call home every day.

The strategies within the plan are the culmination of two working sessions that integrated the visions and goals of the LHFA with the specific housing needs of the state of Louisiana. The first working session involved the agency's Board of Directors, who defined their priorities and collectively established the LHFA's housing policy for the agency in the coming years. Built upon the Board's directive, the agency's staff then worked together to devise a set of improvements that will enable the agency to accomplish the established goals. This final document is the ensuing plan of action that incorporates the contributions of every staff member, and reflects the visions of the LHFA as it addresses the nation's most critical housing shortage.

The strategies outlined in this plan are dynamic, and will adapt to changing circumstances as needed in order to continually address our goals and



objectives – namely, to ensure all Louisianans access to affordable, safe, decent, and sustainable housing. While the mission and principles remain a constant force in the agency's initiatives, the primary goals and objectives will change as we work to address new challenges and opportunities.

This document presents an overview of the LHFA's future course and describes how the agency plans to tackle Louisiana's current deficiency of affordable housing. It is organized in five sections, as follows:

- LHFA mission statement and guiding principles
- Affordable housing needs assessment
- LHFA strengths, weaknesses, opportunities, and threats
- Goals and strategies
- Technical implementation plan

## I. LHFA Mission and Guiding Principles

### The LHFA Mission:

The mission of the Louisiana Housing Finance Agency is to assure that every Louisiana resident is granted an opportunity to obtain safe, decent and sustainable affordable housing.

Each day this challenge is met by a dedicated staff of professionals who allocate federal and state funds to help low- and moderate-income citizens make their housing dreams a reality.

The following principles embody the LHFA's mission, and are reflected in each of the agency's goals and strategies. While the LHFA's methods must occasionally bend to address new challenges, its principles are impervious to shifts in public opinion or political ideology. They are the values inherent to the agency and its mission.

**Principle 1:** The LHFA has the responsibility to serve Louisianans who cannot afford decent housing in the private market. Our primary function, as the manager of federal subsidized housing programs, is to facilitate the provision of housing affordable to families that could not otherwise buy or rent a satisfactory home without financial assistance.



**Principle 2:** The LHFA will continuously progress towards accomplishing its mission. As a goal-oriented organization, we will regularly track advancements toward the provision of proper housing for all Louisiana residents. Evaluation includes setting benchmarks, noting accomplishments, and overcoming challenges in order to continually advance the agency's mission.

**Principle 3:** The LHFA promotes honesty within the organization and throughout its programs. We will keep our program requirements and award processes fair, transparent and easily understandable for all parties involved.

**Principle 4:** The LHFA embraces diversity within its organization and promotes it in our programs. We seek to include people from all income groups, ethnicities, races, and ideologies in all that we do.

**Principle 5:** The LHFA will serve as a champion and financial catalyst for affordable housing. We will continually educate the public and the legislature to foster understanding and acceptance of Louisianans from all income groups, as well as offer information to families in need of the agency's services. As the steward of affordable housing for the state, the LHFA encourages the development of all forms of low-cost housing in its quest to sustain strong, equitable and healthy communities throughout Louisiana.

## II. Affordable Housing Needs Assessment

The need for affordable housing in Louisiana is a deeply entrenched, long-standing issue. Regional differences make it difficult to simplify the problem. Because of divergent economic and developmental histories, the housing needs of rural and metropolitan parishes are diverse and often dissimilar. The mass displacement of hundreds of thousands of Louisianans following Hurricanes Katrina and Rita in the fall of 2005 further complicates the conceptualization of housing needs. More than one year after the storms, it is simply unknown how many families have left the state without intending to return, and how many families currently here may leave. Correspondingly, it is problematic to estimate present affordable housing needs. However, by joining pre-storm assessments with estimates of the cost and affordability of homes destroyed in the storms, the LHFA has drawn a reasonable picture of today's housing needs.

Before Hurricanes Katrina and Rita, an estimated **331,850 households** across the state earning less than 80 percent of their Area Median Income (AMI) were in need of affordable housing, according to the U.S. Department of Housing and Urban Development (HUD). Following are tables specifying who was in need accordingly, and in which region of the state they resided.



## Affordable Housing Needs before Hurricanes Katrina and Rita

### Households in Need of Affordable Housing by Income

Metro Areas:	Less than 30% AMI	30% - 50% AMI	50% - 80% AMI	80% - 95% AMI	Cumulative
New Orleans-Metairie-Kenner	53,944	37,059	33,323	34,309	158,635
Baton Rouge	23,726	16,140	13,188	13,141	66,195
Houma-Bayou Cane-Thibodaux	6,150	3,515	2,949	1,889	14,503
Shreveport-Bossier City	9,234	9,590	8,150	7,079	34,053
Monroe	7,029	4,109	3,262	3,589	17,989
Alexandria	5,228	3,470	2,854	2,700	14,252
Iberville	1,024	594	580	339	2,537
Lafayette	7,170	5,695	4,740	3,949	21,554
Lake Charles	6,290	4,350	3,468	3,038	17,146
<b>Non-Metro Areas:</b>					
in North Louisiana	11,536	6,367	4,257	4,280	26,440
in Central Louisiana	7,091	4,363	3,454	2,621	17,529
in Acadiana	20,401	10,132	7,413	6,033	43,979
in Florida Parishes	5,845	3,380	2,879	2,353	14,457
<b>TOTAL</b>	<b>164,668</b>	<b>108,764</b>	<b>90,517</b>	<b>85,322</b>	<b>449,271</b>

### Low Income Households in Need of Affordable Housing by Household Characteristic

#### Households in Need of Affordable Housing by Household Characteristic

Metro Areas:	Elderly (62+ Years Old)	Disabled (requiring assistance)	Small (2-4 persons)	Large (5+persons)	Severe Cost Burden
New Orleans-Metairie-Kenner	4,894	32,107	18,610	6,805	68,617
Baton Rouge	2,105	12,392	10,240	3,860	26,281
Houma-Bayou-Cane-Thibodaux	800	4,237	3,085	1,470	3,778
Shreveport-Bossier City	1,415	8,211	5,335	1,865	14,158
Monroe	525	3,408	2,300	845	7,178
Alexandria	655	3,722	2,105	600	5,400
Iberville	120	606	555	220	678
Lafayette	685	4,169	3,690	1,175	7,898
Lake Charles	805	3,972	2,875	2,875	6,076
<b>Non-Metro Areas:</b>					
in North Louisiana	1,367	6,572	4,175	1,619	8,558
in Central Louisiana	1,028	2,621	3,235	1,074	4,171
in Acadiana	2,190	12,542	8,215	3,520	12,065
in Florida Parishes	705	3,905	2,815	1,055	4,706
<b>TOTAL</b>	<b>17,294</b>	<b>98,464</b>	<b>67,235</b>	<b>26,983</b>	<b>169,566</b>

The hurricanes of 2005 destroyed more than **200,000 homes**, instantly exacerbating Louisiana's preexisting housing crisis. Of those 200,000 homes, roughly **80,000 were rental units**, and of those 80,000, **46,000 rented at prices affordable to low-income** (less than 80% AMI) households. In order to recover just 75 percent of those units affordable to low-income renters, **35,000 rental units will need to be built** – with 33,000 in the New Orleans metro area alone. This measure does not account for the loss and shrinking supply of low-cost rental units precipitated by the displacement of higher-income homeowners having moved into rental housing, and the increased land, construction, environmental remediation and operating costs since the hurricanes. As a result of increased prices, roughly 10,000 households that



rented their homes affordably on the private market before the storm can no longer do so.

Affordable homeownership is equally daunting in the hurricanes' aftermath. The Road Home Program, funded with federal Community Development Block Grant (CDBG) dollars, was established primarily to compensate for property loss. Although a majority of the funding will reimburse homeowners for uninsured loss, the program is not yet fully active. Evidence suggests, however, that Road Home grants will be insufficient to facilitate widespread rebuilding, so it is premature to speculate on the program's effect on affordable housing need. It is likely that many homeowners will not rebuild their homes on the same parcel, but they may move elsewhere in the region or state.

The number of households in need of affordable housing before the storms – more than 300,000, representing nearly one million Louisianans - is sobering. The tally becomes truly alarming considering that Hurricanes Katrina and Rita permanently displaced more than 200,000 households, approximately 80,000 of whom were considered low-income. In the face of this challenge, the LHFA must confront Louisiana's housing shortage with uncompromised dedication. To begin requires a starting point—a benchmark that establishes an objective for the arduous road ahead. As the first step in achieving our mission:

**The LHFA will work towards the development of 100,000 housing units affordable to low- and moderate-income households by 2016.**

## III. Strengths, Weaknesses, Opportunities and Threats

During the working retreats of October and November, the LHFA Board and staff participated in an exercise that evaluated the agency's current capacity, potential and limitations. This evaluation, commonly referred to as a "SWOT Analysis," set the stage for honest, constructive criticism, and recognized the LHFA's many successes. The outcome of the exercise now serves as a useful tool in taking advantage of the agency's strengths and opportunities to overcome interior vulnerabilities.

### Strengths

1. We are a solid organization, with 113 staff members whom possess the initiative, intelligence and teamwork needed to adapt to change and improve the agency.
2. We are in an excellent financial position, with \$54 million in reserves and an A2 rating from Moody's Investor Service.



3. As the state's principal housing finance agency, we have the authority and flexibility to address Louisiana's diverse and changing housing needs.

## Weaknesses

1. We lack recognition and acceptance among community-based groups.
2. We do not currently have the expertise that would be necessary to realize new and nontraditional endeavors.
3. A lack of clear communication between agency departments, Board members and the general public often leaves stakeholders uninformed and discordant.

## Opportunities

1. We are the nexus for all stakeholders in subsidized- and assisted-housing development.
2. The sociopolitical climate is increasingly receptive to innovative housing solutions, due to the dire housing need following Hurricanes Katrina and Rita.
3. There are more financial and professional housing development resources in Louisiana today than ever before.

## Threats

1. Local opposition remains an obstacle to accomplishing the agency's mission to build affordable housing throughout the state.
2. Profit motivation, even in the development of affordable housing, limits the type of construction and depth of affordability of many developments.
3. General apprehension towards radical change, both within the agency and among housing stakeholders, can stymie organizational improvements and innovative housing solutions.

## IV. Goals and Strategies

Four specific goals came to light as a result of the Board and staff retreats that capture the themes common to all of the participants. They aim to capitalize on the LHFA's strengths, redress its weaknesses, take advantage of today's opportunities and neutralize potential threats to success. Combined, they serve as the driving force behind the strategic plan. This initiative, aptly termed PACE, sets the goals we will embrace as an agency to capture the momentum established in 2006.



**PURPOSE:** Give the agency a stronger sense of objective by clearly identifying the goals and objectives, creating an action plan with measurable outcomes, and implementing programs that make a noticeable difference in the state's housing market.

**ACCEPTANCE:** Use our influence, channels of communication, expertise, and outreach throughout Louisiana's communities in order to become the leading popular housing resource for the state.

**CAPACITY:** Create a stronger and more efficient agency through staff education and training, procedural documentation, and by streamlining processes and implementing innovative programs.

**EQUITY:** Infuse justice and fairness in all that we do. This includes incorporating the voices of the underserved into decision-making processes, and promoting disadvantaged local businesses.

Based upon the work of the retreats, we have established specific strategies to realize our goals and constructed an accompanying implementation plan. The timeline for accomplishing these goals begins now.

## GOAL: Infuse a stronger sense of purpose within the agency

Before the increase in staffing, tax credits and public scrutiny as a result of the federal GO Zone program, the LHFA was not capable of solving Louisiana's affordable housing shortage independently. The impetus to build a staggering number of housing units rapidly has changed the housing dynamic, and the agency is now at the forefront of affordable housing development.

The agency has been called upon to transform itself into a highly innovative and results-driven organization. To establish the momentum necessary to accomplish this, the agency must put forth a robust action plan that clearly defines the housing priorities established through the Governor's vision for affordable housing and through the agency's analysis of statewide housing need.

### Strategy 1: Establish housing priorities

The first step in establishing housing priorities is to determine where the affordable housing shortfalls exist, and to determine which types of units are most needed. This is currently being addressed through a comprehensive affordable housing needs assessment that will ultimately define housing needs for each parish based on housing types, family size, age, and disability status. While this exercise correlates housing need, geography, and development



types, it does not specifically address the ideal building features, amenities and neighborhood dynamics that create sustainable and viable communities.

The second phase of establishing housing priorities is to identify essential components of viable, safe, sustainable, and energy-efficient communities, and to prioritize them in our funding priorities and program guidelines. The LHFA will arrange a visioning session among its Board and staff in order to ascertain the specific housing characteristics that contribute to an improved quality of life. These could be as simple as building a playground in a family-oriented development, or as complex as a multi-layered funding package for a mixed-income community. The final housing elements will be incorporated into the desired amenities for Low Income Housing Tax Credit (LIHTC) projects and will be posted on our website as a design guideline for local developers and builders.

## **Strategy 2: Devise a 10-Year Strategic Housing Plan**

The LHFA will draft a coherent strategic housing plan, built upon the newly established housing priorities. While the plan has not yet been drafted, Many fundamentals of the plan were introduced at the Board and staff retreats.

First, new projects and programs should be directly conducive towards the LHFA's goals. This includes rejecting projects that will not impact an area positively, rating projects based on quality-of-life measures and depths of affordability, and encouraging the development of higher-risk projects in high demand, such as transitional housing, adaptive reuse projects, or live-work housing. It also involves greater cooperation at the grassroots level. The LHFA will take the lead in forming partnerships with other housing organizations such as Catholic Charities and the Department of Social Services, even offering grants to target projects that would not be financially feasible otherwise.

From a larger perspective, a key component of the housing plan will be to increase the rate of development. This involves prioritizing projects with substantial buy-in and additional funding sources, as well as facilitating further usage of non-competitive resources. It also involves increasing efficiency throughout the development process. The agency can work with local authorities to expedite building permits for affordable housing, or provide a forum where municipalities can offer land grants for development.

A strategic plan is only as good as its implementation. To ensure that the plan actually goes into effect, an evaluation system is needed. The evaluation system will begin with clearly stating the expectations of the staff, timeline and benchmark reviews. It will monitor agency and individual success over time and provide incentives to staff members who exceed expectations. Ultimately, it will post success measures online for the Board, staff and the public to view.



## GOAL: Become the primary housing resource in Louisiana

The lack of communication between the agency and the public at large complicates our processes and creates barriers to affordable housing development. One example is the NIMBYism that often occurs at the local level – the “Not In My Backyard” opposition to the creation of subsidized housing that stems from fears of crime and the deterioration of property values. In the vast majority of the cases, these fears are unfounded. The majority of affordable housing residents are law-abiding citizens whose jobs pay less than what would allow them to afford market-rate housing. Anecdotal evidence supports our belief that communities are supportive of their affordable housing developments after they have been built. If the agency improves its communication and cooperation with local communities, nearby residents will have a better understanding of why affordable housing is needed, and who lives there—such as home health aides, day care workers, waiters, and construction workers that greatly contribute to the local economy.

The LHFA’s mission has been further compromised by a limited presence at the local level. This lack of communication shortchanges families that cannot find housing and do not know where to look, as well as the many fellow Louisianans who do not know how to prepare for homeownership, financially and otherwise. To be more effective as a housing agency, we need to reach out to families locally and inform the public who we are and how we can help. We also need to prepare the next generation for homeownership, by educating children on the responsibilities required to participate in this American dream.

Finally, as an agency that is located strategically at the crossroads of so many interests, we can further communication between the groups that bring a project to fruition. The lack of coordination between local jurisdictions, developers, lenders, and subcontractors delays the process and increases costs or inhibits innovative projects. By placing the agency at the nexus for all key players, we can essentially foster the alignment of compatible interests and assist in forming mutually beneficial relationships.

### Strategy 3: Reach out to the community

To effectively reach out to all Louisianans, the agency will use a bottom-up and top-down approach, simultaneously initiating a massive marketing and branding campaign while reaching out to churches, community groups and directly to residents even people on the street. Tactics will include guest editorials, radio and newspaper ads, flyers, and local housing fairs, all of which will let people know who we are, why affordable housing is important and how we can help. The agency will also host an annual housing



conference, giving local officials, major employers, housing developers, community leaders, and lenders the opportunity to understand the LHFA's mission and learn how our products can work for their benefit.

Beyond the issue of affordable housing development, the agency will initiate an educational campaign that will foster higher home ownership rates, minimize default on loans, and improve home maintenance. It will include sponsoring a financial counseling program for first-time homebuyers, partnering with schools to educate youth regarding credit maintenance and the importance of saving money, and offering classes to assist homeowners in regularly maintaining their homes.

Finally, over the course of the next ten years, the agency will establish satellite offices in areas not easily accessible to Baton Rouge. In many regions of Louisiana, particularly in the north, families do not take advantage of the available housing options because they are unfamiliar with the agency. In order for a family to work with a housing counselor and arrive at a customized housing solution that best meets their needs, one-on-one communication is critical. By spreading our resources and products, we can personally assist all residents of Louisiana, not just those in the Baton Rouge and New Orleans metro areas.

## **Strategy 4: Create networks between stakeholders**

To increase the pace of affordable housing development and promote innovative housing solutions, the various interests in housing development should work together more closely. To enable this, the agency will hire a new staff member to act as a liaison between the agency and the legislature to align housing interests and collaborate with housing programs.

The agency will also post an online forum that can give stakeholders the opportunity to form partnerships. The site will include a listing of qualified contractors, firms offering technical services, architects, and similar services, as well as provide a listing of preferred lenders. It will provide the opportunity for municipalities to post available land for redevelopment and offer additional assistance in the form of a zero-cost approvals process or a community facilities grant. Consumers will also be able to view projects not yet in service and join a waiting list, which will increase the viability of projects and lower the costs of development.

The agency is also prepared to assist local housing agencies in defining their housing priorities and collaborating with local developers to meet housing goals. To discover common interests, the agency will facilitate working sessions between affordable housing advocates and developers. Once the common interests are defined, local housing authorities will be in a position to package additional benefits to developers beyond tax credits, such as gap finance, maintenance grants, and public amenities, for targeted projects.



## GOAL: Create a stronger and more efficient agency

The road ahead is a daunting task. To have 100,000 units built or in the pipeline by 2016 will require a new approach in agency operations and finance. As stated at both the Board and staff retreats, the agency is not equipped to handle the weight of the workload or the complex operations of more innovative housing programs. To be as successful as possible, we will set out to increase staff skills, simplify processes and integrate new technology into daily operations, all to create a more efficient and productive agency.

Of equal significance, the agency is a financial institution that must maintain its fiduciary strength to ensure the continued development of affordable housing. The decisions made today will affect the agency's position in the future, and ultimately, its fate. This means increasing our reserves and leveraging our resources is a crucial component in maintaining stewardship of affordable housing.

### **Strategy 5: Improve the agency from within**

To tackle the immense challenge of addressing housing need post-Katrina and Rita, the agency will initiate several in-house programs geared towards improving performance and increasing productivity.

The first initiative is to bring the agency to a level of self-sufficiency where all standard operations are carried out in-house. This will require an analysis of existing skills within the agency followed by extensive training programs to fill those gaps, or, if necessary, new hires in areas of specific expertise.

The second initiative is to clarify the roles and expectations of staff members. As with any organization, employee resignations leave gaps in expertise and can substantially deplete the efficiency of the agency. Therefore, we will outline the expectations of each position and create a manual of appropriate procedures. To supplement this, we will implement an employee cross-training program. This will broaden our knowledge base while offering employees the opportunity for greater job diversity. Finally, we will re-examine the framework of civil service and private sector operations and devise a solution that captures the best features of both systems.

### **Strategy 6: Enhance fiduciary position and increase reserves**

While the agency has a strong bond rating and a healthy reserve of funding, they are not adequate to realize the objectives set forth in this plan. As a result, the agency will take on more entrepreneurial activities to increase reserves. Possible channels include lending to market rate



developments, tapping into out-of-state markets or offering gap financing and predevelopment financing. By engaging in more lucrative endeavors, the agency will have more capital available to offer incentives to develop less profitable projects.

Even with the additional tax credits through the GO Zone legislation, the state still does not have enough funding to reach its pre-Katrina level of available affordable housing. Therefore, the agency will lobby for a continued increase in LIHTC allocations, as well as a portion of the CDBG dollars issued to the state, to fund the housing gap issues that the LIHTC do not address. Due to the escalated cost of labor and construction materials, housing development has become substantially more expensive. For example, the producer price index (PPI) for construction materials increased more than 6% in 2006, according to the Associated General Contractors of America, while wages for unskilled laborers is now more than \$10 per hour, according to HUD's Policy Development and Research. This, ultimately, is reflected in higher rents for subsidized units. The majority of LIHTC units are affordable to families earning between 50% and 60% AMI, a narrow group of families in need. Additional funding can make these units affordable to more families, opening doors to those who presently cannot afford the majority of affordable housing units.

A housing trust fund is another possibility for increasing our reserves. The concept of a housing trust fund is to provide a housing agency with its own source of capital with which to develop its own programs and creatively address the specific housing needs of its constituents. It is an invaluable tool for state housing agencies to financing projects not qualified under existing federal housing programs as well as offering additional subsidy to families who cannot afford to rent an "affordable housing" unit.

At the very least, the agency will dedicate all available funding sources already available and actively promote the uncapped funding programs such as the LIHTC 4% credit. HOME funds will be more frequently and accurately tracked and available funds programs will be marketed more actively on the Internet. The Restore Program will be proactively sponsored, with program information disseminated among community groups at the grassroots level. The agency may also coordinate with Community Development Financial Institutions (CDFIs) and market-rate developers to effectively thread an affordable housing component into New Markets Tax Credit (NMTC)-funded developments, Mortgage Revenue Bond (MRB) projects and the 4% credit.



## GOAL: Infuse a sense of justice and equality in all that we do

Incorporating the voices of the underserved is a significant challenge for this agency. In an industry driven by profit motivation, projects have been selected first based on financial feasibility and cash flow rather than by the services they provide. This often leads to generic developments in undesirable areas. To reach out to all families in need of housing, the agency should equally examine a project's financial viability along with how that project furthers the agency's mission.

The affordable housing development industry, like most other industries, is structured to prefer large and well-established firms, thereby pushing out disadvantaged businesses. To overcome the inherent inequality, the LHFA will foster the growth of disadvantaged businesses throughout its programs and selection criteria.

As a component of the development process, project amenities or locational features are rarely designed with consumer feedback in mind. There is a misconception that because tenants often do not have a choice in where to live, their housing-related requests are unimportant. Ultimately, a community designed to address the interests of its residents will serve the dual purpose of providing needed housing as well as improve the quality of life and economic opportunities of its residents.

Including disadvantaged groups into the decision-making and development process is a fundamental element of our principles and must be emphasized in our operations. Heightened pressure for rapid development, combined with intense national scrutiny makes this particularly critical now.

### Strategy 7: Encourage disadvantaged groups to participate

Encouraging the involvement of disadvantaged groups involves three parts. First, it begins with discovering how residents or potential residents view subsidized housing. This involves dedicating staff to consumer outreach and surveying consumers of tax credit housing and participants of the First-Time Homebuyers Program. The agency will then incorporate these results into its development guidelines and requirements.

Parallel to consumer demand, the agency will facilitate the further incorporate of non-profit groups whose primary mission is to provide affordable housing. The agency will introduce a technical assistance program to newly formed non-profit organizations regarding the available grants, funding and tax incentives available, as well as offer startup grants for non-profits in targeted areas. For organizations with the capacity to develop housing, the agency will work to offer favorable lending terms or predevelopment financing, and help



coordinate their efforts with local jurisdictions.

The agency will also make an effort to bring disadvantaged businesses into the development process. This requires the expansion of the mentorship program, which offers technical assistance in business operations for skilled contractors and subcontractors, as well some form of incentive for developers to hire a lesser-known business, such as a higher score for LIHTC applications. The agency will also provide a more thorough listing of qualified contractors and subcontractors on its website and highlight those businesses categorized as Disadvantaged Business Enterprises (DBEs), using the federal definitions of DBEs.



A = Directly and immediately fulfills goal  
B = Directly and eventually fulfills goal  
C = Indirectly fulfills goal

Strategies	PURPOSE	ACCEPTANCE	CAPACITY	EQUITY
Strategy 1 - Establish housing priorities	A	C	C	B
Strategy 2 - Devise a 10-Year Housing Plan	A	C	B	B
Strategy 3 - Reach out to the community	C	A	C	B
Strategy 4 - Create networks between stakeholders	C	A	C	B
Strategy 5 - Improve the agency from within	B	C	A	C
Strategy 6 - Enhance fiduciary position and increase reserves	B	C	A	C
Strategy 7 - Encourage disadvantaged groups to participate	C	B	C	A



## V. TECHNICAL PLAN

\* Reference Number refers to the priorities of the Board as was recorded at the Board retreat (10/31/06) – see Appendix

**Goal: Purpose – Clearly define our goals, create an action plan and measure success**

**Lead Strategy: Establish priorities**

Strategy	Implementation	Timeframe	Reference Number
Visioning session	<ul style="list-style-type: none"><li>Call for a visioning session to derive the elements of viable, safe and sustainable communities</li><li>Outline the direct investment or attribute associated with those qualities</li><li>Incorporate those attributes and investments into the strategic plan</li></ul>	Within 1 year	17
Develop strategic focus areas	<ul style="list-style-type: none"><li>Prioritize based on geographic need</li><li>Prioritize based on housing types in highest demand (transitional housing, child care facilities, single person units, housing for large families)</li><li>Prioritize based on sustainability issues (Micro – areas within New Orleans)</li></ul>	Within 1 year	3



**Goal: Purpose – Clearly define our goals, create an action plan and measure success**

**Lead Strategy: Devise a 10-Year Strategic Housing Plan**

Strategy	Implementation	Timeframe	Reference Number
<b>Implement programs and projects that make a difference</b>	<ul style="list-style-type: none"><li>Target funding sources into projects that specifically address an area's affordable housing need</li><li>Rate projects based on sustainability, affordability and viability</li><li>Offer incentives to creative and/or difficult to develop projects such as urban infill, rehab, live-near-your-work, co-housing, single room occupancy, shared housing, worker housing, green design, etc.</li><li>Coordinate with other housing organizations such as DSS and Catholic Charities</li><li>Offer additional funding for targeted projects that lack necessary funding</li></ul>	Within 1 year and ongoing	18
<b>Increase rate of affordable housing development</b>	<ul style="list-style-type: none"><li>Give priority to projects with substantial buy-in from local government</li><li>Favor projects that include additional funding sources</li><li>Work with local planning agencies to streamline application process</li><li>Facilitate further usage of the 4% credit and bond finance</li><li>Dedicate to bond issue</li></ul>	1- 3 years and ongoing	8, 11
<b>Evaluate progress</b>	<ul style="list-style-type: none"><li>Incorporate a timeline for all elements of the strategic plan with significant benchmarks</li><li>Clearly define roles and expectations of staff</li><li>Monitor agency success and individual performance on a regular basis</li><li>Include employee incentives for excellent performance</li><li>Post success measures online for board, staff and public to view</li></ul>	Within 1 year	7



**Goal: Acceptance – Become the housing resource for the state of Louisiana**

**Lead Strategy: Reach out to the community**

Strategy	Implementation	Timeframe	Reference Number
Initiate a comprehensive branding program	<ul style="list-style-type: none"><li>• Public Relations Campaign<ul style="list-style-type: none"><li>a. Guest Editorials</li><li>b. TV, radio, metro ads</li></ul></li><li>• Ensure position understood by public and private industry<ul style="list-style-type: none"><li>a. Elaborate mission statement</li><li>b. Include revised mission statement in QAP, website and public relations campaign</li></ul></li><li>• Establish annual housing conference with local officials, major employers, developers, community organizations and lenders</li></ul>	Within one year	5
Education	<ul style="list-style-type: none"><li>• Financial counseling for first time homebuyers</li><li>• Partner with schools to educate youth regarding financial responsibility and the importance of credit ratings</li></ul>	1 – 3 years and ongoing	5



**Goal: Acceptance – Become the housing resource for the state of Louisiana**

**Lead Strategy: Create networks between stakeholders, investors, developers and government**

Strategy	Implementation	Timeframe	Reference Number
Establish a legislative lobby	<ul style="list-style-type: none"><li>Hire new staff to fulfill this function</li></ul>	1 – 3 years	2
Form a node between active groups	<ul style="list-style-type: none"><li>Provide an online resource for cities and parishes to market available land</li><li>Post a list of qualified contractors, technical services, architects, etc.</li><li>Establish preferred relationships with lenders using LHFA guarantee</li></ul>	1 – 3 years	11
Coordinate goals with local housing agencies and interested parties	<ul style="list-style-type: none"><li>Work sessions to find common goals (Find contributions from various groups for projects i.e. land grants, public amenities, low interest loans and gap finance, maintenance grants, inclusionary zoning and work/housing linkages)</li><li>Joint ventures and shared risk</li></ul>	Within the year	5, 11



# Louisiana Housing Finance Agency Strategic Plan 2007 - 2016

**Goal: Capacity – Create a stronger and more efficient agency**

**Lead Strategy: Improve the agency from within**

Strategy	Implementation	Timeframe	Reference Number
Self-sufficiency	<ul style="list-style-type: none"><li>• Bring LIHTC program in-house</li><li>• Increase staff knowledge of all LHFA programs</li></ul>	1 – 3 years	6
Streamline and simplify processes	<ul style="list-style-type: none"><li>• Integrate technology into the applications processes for the Tax Credit, Section 8 and MRB Programs</li><li>• Pare down and simplify LIHTC requirements</li><li>• Post easy-to-follow instructions for all applications online</li><li>• Organize and simplify the website</li><li>• Examine Board's role/compensation</li></ul>	Within 1 year	1, 6
Maintain communications	<ul style="list-style-type: none"><li>• Clarify agency organization and specific roles</li></ul>	Within 1 year	9
Develop staff capabilities	<ul style="list-style-type: none"><li>• Analyze skill gaps within the agency</li><li>• Training programs to enhance skill sets</li><li>• Document positions and protocol</li><li>• Cross-training</li><li>• Re-examine civil service vs. private industry framework</li></ul>	Initiate within 1st year	1, 6, 20



**Goal: Capacity – Create a stronger and more efficient agency**

**Lead Strategy: Enhance fiduciary position and increase reserves**

Strategy	Implementation	Timeframe	Reference Number
Introduce entrepreneurial activities	<ul style="list-style-type: none"><li>Initiate market rate lending</li><li>Research lending capacity in out-of-state markets</li><li>Provide gap financing and predevelopment financing (working trust fund, bond finance)</li></ul>	1 – 3 years	4
Dedicate all available funding	<ul style="list-style-type: none"><li>HOME funds tracking system</li><li>Market available HOME fund</li><li>Proactively sponsor Restore Program (information at the grassroots level)</li></ul>	Within 1 year	10
Access additional funding sources	<ul style="list-style-type: none"><li>Establish a Working Trust Fund<ul style="list-style-type: none"><li>-Nominal tax on real estate transactions</li><li>-Fee on Road Home transactions</li></ul></li><li>Lobby for continued bump in LIHTC allocation</li><li>Coordinate resources with NMTC projects (establish relationships with local CDFIs)</li><li>Petition for CDBG funding to fill difficult development programs</li></ul>	1 – 5 years	4, 8, 14



**Goal: Equity – Infuse a sense of justice and equality in all that we do**

**Lead Strategy: Encourage disadvantaged groups to participate**

Strategy	Implementation	Timeframe	Reference Number
Facilitate participation of disadvantaged businesses	<ul style="list-style-type: none"><li>• Technical assistance and mentorship program for disadvantaged businesses modeled on the DBE Program</li><li>• Bonus points for developments that include disadvantaged businesses (developer, contractor, architect, subcontractors, etc.)</li><li>• Offer a list of available contractors and subcontractors that qualify</li></ul>	1 – 3 years	12, 16
Build capacity for non-profits	<ul style="list-style-type: none"><li>• Technical assistance and startup grants</li><li>• Favorable lending</li><li>• Coordinate with local governments for \$0 acquisition and fast track approvals processes</li></ul>	3 – 5 years	13, 19
Incorporate stakeholder voice in the planning process	<ul style="list-style-type: none"><li>• Staff a consumer outreach group</li><li>• Survey consumers of tax credit housing and 1<sup>st</sup> time homebuyers</li></ul>	1 – 3 years	15



## Appendix: Board Retreat Priorities

1. Legislation to provide staggered terms – look at Board compensation, conflicts, Civil Service, constitutional amendment
2. Establishing a legislative lobby
3. Comprehensive/strategic plan – develop a strategic investment plan – focus on other areas of the State
4. Establish entrepreneurial component – allow unrestricted funds into the Agency – seek money, CDBG from LRA, increase per capita low income housing tax credits program authorities
5. Comprehensive branding program – create a public relations campaign, guest editorials, interviews, TV, radio, metro ads, HS – good credit habits, weekly TV show
  - Ensure position is understood by the public and private industry enhancing public outreach
  - Establish annual housing conference
    - Public entities, DSS, etc.
    - Private industry – bankers, etc.
  - Marketing – build a robust communications strategy
6. Streamline all programmatic submissions to the Agency – use technology internal and external, one stop, enhance technology skills of staff, reduce dependence on consultants, build internal capacity
7. Set benchmarks – strategic evaluation – annual or semi-annual basis
8. Protect our reserves and other assets – keep flexibility, e.g., dedicate to bond issue, building reserve funds
9. Maintain communications – Board, Board and staff; external must know what other departments do
10. Make sure we spend our HOME dollars – fully utilize our dollars; how we track them
  - Single family tax credits
  - Restore Program – limitations? Why aren't we moving forward?
11. Increase affordable housing – don't lose sight of middle income and rehab – How far do we go? Opportunities for joint venturing
12. Establish a minorities and women's protégé program – educate, encourage; majority builders to share knowledge; local, small, and disadvantaged enterprise
13. Extent of grant writing department can be utilized – housing, build capacity for non – profits; comprehensive housing strategy for the State – Choto Institute
14. Visit amount of money allocated to Coastal Zone through Go Zone
15. Get input from people we serve – low to moderate (under marketing outreach stakeholder feedback)
16. Make sure that we are doing business in Louisiana, with all businesses, including minorities (DBE Program) – local, small, disadvantaged
  - Be accountable – procurement, professional services, transaction construction, etc.
  - Scoring categories
17. Strategic Investment Plan – establish the kinds of communities LHFA wants to build – types of units, etc.
18. Implement programs that make a difference
19. Branching out to non-profits for programs – not attractive to private developers
20. Succession plan – cross-training

## LOUISIANA HOUSING FINANCE AGENCY

The following resolution was offered by \_\_\_\_\_ and seconded by \_\_\_\_\_ :

### RESOLUTION

A resolution is hereby approved that provides for the adoption of the Louisiana Housing Finance Agency Strategic Plan 2007 - 2016.

**WHEREAS**, the Louisiana Housing Finance Agency (“Agency”), as authorized by the State of Louisiana, shall apply, implement, and administer the Louisiana Housing Finance Agency Strategic Plan 2007 – 2016 and

**NOW THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the Louisiana Housing Finance Agency (“Board”), acting as the governing authority of said Agency, that:

**SECTION 1.** A resolution is hereby approved that provides for the adoption of the Louisiana Housing Finance Agency Strategic Plan 2007 – 2016.

**SECTION 2.** The Agency staff and counsel are authorized and directed to prepare such documents and agreements as may be necessary to implement the Louisiana Housing Finance Agency Strategic Plan 2007 - 2016.

**SECTION 3.** The Agency is hereby authorized, empowered, and directed the ability to change, amend, and revise the Louisiana Housing Finance Agency Strategic Plan 2007-2016.

**SECTION 4.** The Chairman, Vice Chairman, President, Vice President, and /or Secretary of the Agency 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 Agency, the terms of which are to be consistent with the provisions of this resolution as approved by the Agency’s Counsel.

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

YEAS:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 13th day of June, 2007.

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Chairman

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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 “Agency”), do hereby certify that the foregoing one (1) page constitutes a true and correct copy of a resolution adopted by said Board of Commissioners on May 9, 2007 providing approval of a resolution that provides for the adoption of the Louisiana Housing Finance Agency Strategic Plan 2007 - 2016.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 9th day of May 2007.

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Secretary