

**Louisiana Housing Finance Agency
Full Board Meeting Minutes
Wednesday, June 13, 2007
2415 Quail Drive
V. Jean Butler Board Room
Baton Rouge, LA 70808
11:00 A.M.**

Commissioners Present

Wayne E. Woods
Alice Washington
Bob Austin
Greg Gachassin
Danette O'Neal
Merriell F. Lawson
Allison A. Jones
Larry T. Broussard

Commissioners Absent

Lisa Woodruff-White
Mark Madderra
Dr. Adell Brown, Jr.
Kevin J. Brown
Carolyn B. Burris
Guy T. Williams

Legal Counsel Present

Holly Barham, Foley & Judell

Staff Present

Barry Brooks
Brenda Evans
Christine Bratkowski
Tina Powell
Tim Shackelford
Louis Russell
James Gilmore
Rene Landry
Keith Cunningham
Jatis Harrington
Jed Wallace

Others Present

See Sign-In Sheet Attachment

Chairman Woods called the meeting to order at 11:35AM. He then asked that the roll be called. Barry Brooks did the roll call and thereafter a quorum was reached. Next there was an introduction of guests in the audience (partially inaudible) - see attached Sign-In Sheet . Chairman Woods then requested the minutes of the May 9, 2007 Full Board Meeting be approved by his fellow Commissioners.

On a motion by Commissioner Broussard and seconded by Commissioner Lawson the minutes of the May 9, 2007 Full Board meeting were approved. There being no further discussions or oppositions, the matter was unanimously passed.

CHAIRMAN'S REPORT

Chairman Woods began the meeting by discussing the groundbreaking ceremony at the mixed-income project in New Orleans referenced as 200 Carondelet Building. He thanked the Board and the developers for the success of the event and also for the various other groundbreaking events that have taken place previously, including the Falstaff project matter. Chairman Woods also requested that developers continue to invite the LHFA to their future groundbreaking events.

Chairman Woods then passed the floor to Vice-Chair Jones to discuss the current status of the 15 Year Lease to Purchase Program. Vice-Chair Jones began by reiterating Chairman Woods' statement of the need to continue emphasizing the face of affordable housing. She noted that one of the issues that has been previously raised in Caddo Parish and elsewhere is the concept of the fairness of the 15 Year Lease to Own Program. Vice-Chair Jones continued by informing everyone that each Commissioner has a packet that had been supplied by Caddo Parish Commissioner Rose Wilson McCullough who was present in the audience along with Caddo Parish Liaison Mr. Wilson. Vice-Chair Jones then read a prepared Statement for the record (see attached exhibit). Thereafter, Vice-Chair Jones made a motion to direct the LHFA staff to undertake a study period of the 15 Year Lease To Own Program and to complete the study period in time for the 2009 tax credit funding rounds. Commissioner Gachassin requested clarification on the Program and its intentions, noting the brief history of the program. Chairman Woods responded accordingly and also requested that more information be provided as to the true benefits of the programs received by the citizenry.

On a motion by Commissioner Jones and seconded by Commissioner Gachassin, the LHFA staff was directed to undertake a study period of the 15 Year Lease To Own Program and to complete the study period in time for the 2009 tax credit funding rounds. There being no further discussions or oppositions, the matter was unanimously passed.

Chairman Woods' concluded his portion of the meeting and turned the floor to President Milton Bailey.

PRESIDENT'S REPORT

President Milton began by discussing the Year-End Recovery Report, noting the document was in the Commissioners' binders for review and analysis. He thereafter went over some of the highlights contained in the Report, in particularly the Priority One Results. He also note that Louisiana has produced more homes in the shortest amount of time in United States history and that we still have a long way to go before fulfilling the goal of meeting all of the current and future housing needs. Mr. Bailey also noted that as only 12.7% of the state's housing recovery needs have been met, he does anticipate the need to return to Washington DC to discuss the mission with Congress. He also acknowledged the efforts of the developers, the Board of Commissioners, the citizenry, and the LHFA staff. In particular, the Single Family Program making the single family mortgage loan and Public Information Officer Kim Levy for her great marketing attributes and for the creation of LHFA statistics and completion of the 2006 Annual Report.

Chairman Woods followed by also thanking Mr. Bailey for his esteemed vision and leadership.

FINANCE COMMITTEE REPORT

Commissioner Gachassin began by noting there was no Finance Committee meeting held but that there was a meeting held on May 9th in which the Committee reviewed the entire LHFA budget and there was recommendation from the Committee to present the budget as is to the Full Board. He noted that the copy in the Commissioner's binder had been updated – thereafter CFO Rene Landry distributed the current updated version of the 2007-2008 Budget to the Board for adoption. Chairman Woods requested clarification as to whether there were any major changes in the current version that needed to be discussed. Mr. Landry responded the only changes were minor and also that there were no large decreases or increases in any of the allocated areas. Chairman Woods continued the discussion inquiring as to what procedure was in effect should there be any new or unforeseen funding or expenditure after the start of the new budget year in order to accommodate said budgetary revision. CFO Landry answered that normally the budget is not revised, but there are procedures in effect for such instances particularly in the area of labor expenditures. Accordingly, the labor budget is based on full capacity expenditures. Commissioner Gachassin reiterated that though in the past there has not been the need for budget amendments, that this does not prohibit that such instances may occur and that the Board would be notified accordingly. Commissioner Gachassin motioned the Board for adoption of the 2007-2008 Operating Budget as adopted by the Budget and Finance Committee during their May 9, 2007 committee meeting. The item was thereafter seconded by Commissioner Broussard.

There was some inaudible discussion thereafter between the Commissioners.

Chairman Woods inquired as to the amount differentials in the Willowbrook Apartments projected revenue as noted on page 8 of the 2007-2008 Operating Budget Report. Commissioner Gachassin stated that this was most likely attributed to market rate and voucher increases. CFO Landry continued that the info was calculated by staff member Kip Anderson, who unfortunately was not present to explain his deductive criteria.

Accordingly, President Bailey directed CFO Landry to prepare a staff outline as to what the assumptions were in calculating the amounts as listed for the Willowbrook Apartments matter as noted in the budget report. CFO Landry responded affirmatively as to the request.

On a motion by Commissioner Gachassin and seconded by Commissioner Broussard, the LHFA Fiscal Year 2007-2008 Operating Budget was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

MULTIFAMILY COMMITTEE REPORT

Chairman Woods began discussion of the pending resolution, noting the out of country absence of Commissioner Madderra. He requested Brenda Evans briefly discuss the resolutions as there was no Multifamily Committee meeting held earlier in the day.

Brenda Evans noted the decision brief and staff recommendations for the Jefferson Lakes Apartments' \$17M Multifamily Housing Revenue Bonds Project.

On a motion by Commissioner Gachassin and seconded by Commissioner Jones, the resolution 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 for Jefferson Lakes Apartments in one or more series; and providing for other matters in connection therewith, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Brenda Evans noted the decision brief and staff recommendations for The Reserve at Jefferson Crossings' \$11.2M Multifamily Housing Refunding Bonds Project.

On a motion by Commissioner Gachassin and seconded by Commissioner Austin, the resolution authorizing not exceeding \$11,200,000 Multifamily Housing Refunding Bonds for The Reserve at Jefferson Crossing in one or more series; and providing for other matters in connection therewith, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Chairman Woods then moved on the Ratification of actions by Czars items. He noted the Agenda specified each item and likewise indicated the final decision (approved, deferred, or

denied) made on the item by the Czars accordingly. It was requested by Commissioner Gachassin that the items be discussed and voted on in globo, with the exception of the Canterbury House Apartment as requested by Vice-Chair Jones. Chairman Woods concurred.

- 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 for more info from the developer detailing the cost analysis
- Canterbury House Apartments- Request to underwrite all market rate units at 60% AMI.- Deferred for later discussion
- M & T Development – Requested reduction in number to 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 due to significant changes in project aspects
- 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 due to significant changes in project aspects
- St. Joe’s Lofts – Requested separate ownership of the historic and new construction.- Deferred pending additional info on the historic credits
- Marquis Apartments – Request extension to meet Carryover until August 31, 2007 due to environmental clearance issues.- Deferred for later CDBG projects discussions

Commissioner Gachassin then opened the floor to any Commissioners or members of the public in attendance wishing to speak for or against any of the items. Mr. Mark Turrentine from Standard Enterprises, Inc. made his way to the podium. Mr. Turrentine requested a status from the Board on his pending projects – specifically Pine Grove, Cotton Grove, and St. Paul Estates. Brenda Evans responded that for Pine Grove and Cotton Grove the agency was still awaiting delivery of revised SLRs. Mark continued requesting clarification on the QAP 10% or fewer criteria and asked for approval of his projects from the Board and so that he would not have to wait another 30 days until next month’s Board meeting. Commissioner Gachassin explained to Mark that in the ratifications previously discussed that the requestor had previously been notified and therefore he would not have to wait until next Board’s meeting for decisions to be rendered.

Thereafter, Commissioner Gachassin made a motion that the Board approve all the statements listed under the agenda item titled “Ratification of actions by Czars”, except for Canterbury House Apartments which will be listed as “deferred” as opposed to “denied”.

On a motion by Commissioner Gachassin and seconded by Commissioner Jones, the aforementioned Ratification of Actions by Czars items as listed in the agenda was adopted, with the exception of Canterbury House Apartments being noted as “deferred” instead of “denied”. There being no further discussions or oppositions, the matter was unanimously passed.

Next item introduced by Chairman Woods was the 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. Louis Russell gave a brief history and disposition of the matter to the Board, thereafter requesting approval of the resolution by the Board.

On a motion by Commissioner Gachassin and seconded by Commissioner Broussard, the 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, were adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Chairman Woods continued to the next agenda item – Status of Environmental Clearances and Requests for Carryover Extension, noting that this relates to all projects that have received CDBG funds and required to go thru environmental clearances. He stated the Board was requesting an extension until September 31st. Inaudible discussions. Commissioner Gachassin inquired as to whether there were any conflicts with pending IRS regulations currently or any anticipated in the future. President Milton answered that he had a prior conversation with Wayne Neveu regarding the matter. Inaudible discussions. Commissioner Gachassin recommended the adoption of a resolution amending and giving the carryover date to September 30th instead of September 1st.

On a motion by Commissioner Gachassin and seconded by Commissioner Jones, the resolution authorizing an extension of submission of Carryover Allocation Documents requirements as stipulated in the 2007/2008 forward allocation GO-Zone QAP by LHFA from July 1, 2007 to September 30, 2007; and proving for other matters in connection therewith, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Will Belton took the podium and discussed his pending projects St. Landry’s Crossing and Hideaway Crossing that have allocation of HOME funds and he requested additional time to extend -- inaudible discussions. Tina Powell noted that the particular projects aforementioned should be cleared within the next 30 days; additionally, she expressed concerns that if the matter is “umbrellaed” that it may catalyst delays in other project areas. Commissioner Gachassin noted that July 1st is not enough time for Mr. Belton to complete his project obligations.

Chairman Woods requested the matter be added to the Agency and voted on accordingly. Chairman Woods then suspended the rules to add the St. Landry Crossing and Hideaway Crossing projects to the agenda for request for carryover extension to July 31st.

There was a motion by Commissioner Jones and seconded by Commissioner Gachassin to suspend the rules to add the St. Landry Crossing and Hideaway Crossing projects to the agenda for request for carryover extension to July 31st. There being no further discussions or oppositions, the matter was unanimously passed.

On a motion by Commissioner Jones and seconded by Commissioner Gachassin, the St. Landry Crossing and Hideaway Crossing projects were granted carryover extensions to July 31st. There being no further discussions or oppositions, the matter was unanimously passed.

LEGAL COMMITTEE REPORT

Vice-Chair Jones noted that there was no Legal Committee meeting. She furthered stated that the Katrina Cottages Cooperative Endeavor Agreement and FEMA AHPP Agreement was still in negotiations and with no agreement having been reached.

Second items under the Legal agenda was the Discussion of the Year 15 Policy and Procedures (Qualified Contracts) IRS Code Section 42(h)(6)(E)(i)(II). Vice-Chair Jones requested a waiver from the Board of the Legal Committee pre-approval's and approve the procedures as written.

On a motion by Commissioner Jones and seconded by Commissioner Gachassin the Year 15 Policy and Procedures (Qualified Contracts) IRS Code Section 42(h)(6)(E)(i)(II) was approved by the Board. There being no further discussions or oppositions, the matter was unanimously passed.

Next time discussed was the Request for Proposals (RFP's) item. Vice-Chair noted that because there was no prior Legal Committee meeting and a delayed delivery of the documents, she felt the items should be deferred to allow the Board enough time to review the RFP's and discuss them at the July 2007 meeting. She also noted the RFP's were for financial advisors. There was unanimous consent that the matter needed to be deferred for the next Board meeting for more review and discussions. Vice-Chair Jones requested the staff accordingly prepare the matter for the July 2007 meeting with a summarization and history.

SINGLE FAMILY COMMITTEE

Commissioner Austin noted there was no scheduled Single Family Committee meeting and the updates on the 2007A, 2006D, 2006C, 2006Br, 2006B, and Whole Loan Reports documents were in the binders for review by the Board.

SPECIAL PROGRAMS/HOME COMMITTEE REPORT

Commissioner Broussard noted there was no scheduled Special Programs/HOME Committee meeting and that the HOME Reconciliation Report Updated document was in the binder for review by the Board

ENERGY COMMITTEE REPORT

Chairman Woods noted there was no schedule Energy Committee meeting and that the Program activity summary of services delivered by 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) were in the binders for review by the Board as no action was required.

OTHER BUSINESS

Final item on the agenda was a presentation by Mike Dupre, Staff Counsel from the Louisiana Board of Ethics Administration. Mike noted that there is a possibility of future mandatory annual Ethics Training for all state employees. Also that Ethic is covered under Title 42 of the La. Revised Statutes. He discussed the following: definitions of immediate family member, nepotism, economic value, prohibited sources, receiving of and giving gifts, post employment restrictions, violation and fines/penalties thereof, goals of ethics code, financial disclosure aspects, rules for lobbyists, how to request an informal and a formal ethic opinion. He also advised Commissioner Austin to review the Ethics Codes for allowances for removal of a Commissioner from a particular vote or issue if there is a perceived conflict of interest. Mike also gave Vice-Chair Jones a brief explanation of the criteria and process for reporting a breach of ethics.

Chairman Woods reminded that the Strategic Plan has been revised for some minor typos and passed the floor to President Bailey for further discussions. President Bailey confirmed there had only been minor technical and cleanup changes to the Strategic Plan. He also noted that there had been no comments received from the Board and that the on-line public comments were supportive of the Plan. Accordingly, since the 60-day comment period had expired, he requested adoption of the Strategic Plan by the Board.

On a motion by Commissioner Jones and seconded by Commissioner Austin, the LHFA 2007-2016 Strategic Plan was approved. There being no further discussions or oppositions, the matter was unanimously passed.

Commissioner Gachassin withdrew his previous motion for adjournment in order to allow a request by Ms. Washington on behalf of Commissioner Kennedy to recognize Mary Tran to speak to the Board. Thereafter, Reverend Vin Nguyen and Mary Tran from the MQVN Community Development Corp in New Orleans. Reverend Nguyen requested consideration for

his pending retirement community project on tax credit recapturization. He noted that 90% of his elderly clients had return back and that his project(s) involved \$1.2M in tax credits. Chairman Woods noted that he had toured the Rev's projects the previous Sunday. Chairman Woods also expressed some concerns of granting the credits of \$1.2M and the effect of such action would have on superseding other worthy projects already in the processing line.

Commissioner O'Neal noted that the projects as referenced had recently been recognized nationally via the HOPE Award. She suggested Reverend Nguyen to get more info to the Agency to substantiate request waiver. Commissioner Austin voiced his support for the project based on their 90% return rate factor. Commissioner Gachassin discussed the return credits aspects for future policy matters. Commissioner Jones reiterated the need for the Reverend to get more info to the Board for discussion at the July 2007 meeting. President Milton directed Barry Brooks to set up a meeting with Brenda Evans, himself, and Reverend Nguyen to further discuss the options available.

Next to take the floor from the audience was Commissioner Rose McCullough of Caddo Parish District 2. She requested clarification on governmental entity involvement and notification. Chairman Woods noted the sensitiveness of the matter. Commissioner Gachassin noted that in the current QAP there are no provisions for a government support resolution as it is not required and there are no perceived benefits; but that the matter is also pending legislative deferments. Chairman Woods followed that he felt that developers should be aware of local governmental procedures wherein their projects are located. Additionally, Ms. McCullough presented to the Board a packet of documents dealing with the 15 Year Lease to Buy Program and its perceived impact on her district and its constituents, noting that 90% of the participants are within her jurisdiction. Chairman Woods and Commissioner Gachassin engaged in a discussion with Ms. McCullough explaining the basis, history, philosophy, and goals of the 15 Year Lease to Own Program. Ms. McCullough concluded her presentation by requesting that she be informed of all items dealing with District 2 that are presented before the Board in any future matters.

ADJOURNMENT

There being no other matters to discuss, Commissioner Jones offered a motion for adjournment that was seconded by Commissioner Gachassin. There being no further discussions or oppositions, the matter was unanimously passed. **The Full Board meeting adjourned at 1:07pm.**

Chairman

Secretary