

Full Board Meeting Minutes

July 11, 2007

Page 1 of 13

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

Commissioners Present

Wayne E. Woods

John Kennedy (and Alice Washington)

Bob Austin

Mark Madderra

Dr. Adell Brown, Jr.

Greg Gachassin

Danette O'Neal

Merriell F. Lawson

Lisa Woodruff-White

Larry Broussard

Guy Williams

Commissioners Absent

Allison A. Jones

Kevin J. Brown

Carolyn B. Burris

Legal Counsel Present

Wayne Neveu, Foley & Judell

Staff Present

Barry Brooks

Christine Bratkowski

Tina Powell

Louis Russell

James Gilmore

Rene Landry

Annie Robinson

Tim Shackelford

Konchetta Bringier

Others Present

See Sign-In Sheet Attachment

Chairman Woods called the meeting to order at 11:52AM. 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 audible) - see attached Sign-In Sheet. Chairman Woods then requested the minutes of the June 13, 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 June 13, 2007 Full Board meeting were approved. There being no further discussions or oppositions, the matter was unanimously passed.

Thereafter the Chairman's Report was tabled for later discussion, per Chairman Woods.

PRESIDENT'S REPORT

President Milton Bailey noted that the 2007B Revenue Bond Program was rolling out - \$100M Single Family Revenue Bond Program – and should be available during the week of July 16, 2007. He also thanked Standard Mortgage for the excellent training sessions that had been conducted including the July 2nd Baton Rouge session with a record turnout of 124 attendees; July 3rd in New Orleans with 121 attendees; and that the next training session would be in Shreveport.

President Bailey continued, noting that the LHFA Accounting Department had processed \$702,000 in LIHEAP and WAP payments for June 2007, in addition to processing over \$4.4M in Section 8 Vouchers for the same time period. He also noted that the Internal Audit Division has developed a community operations plan to ensure that in the event of a disaster the Agency would be in full operations. Additionally, the Agency has completed the implementation of the Microsoft Access Database for financial audit tracking purposes. He also recognized LHFA Internal Auditor Collette Mathis who has been selected as the President of the Baton Rouge Chapter of the Institute of Internal Auditors.

President Milton then requested Will Belton of AAmagin and Mark Turrentine of Standard Enterprises, Inc. speak to the Board who discussed the 2007 Regular Session Senate Concurrent Resolution No. 131 by Senator Jones which urges and requests tax assessors throughout Louisiana to adopt the capitalized income approach when assessing the valuation of Low Income Housing Tax Credit (Section 42) properties. They both acknowledged their struggles in getting the measure passed and their pleasure in the bill's passage. Mr. Turrentine also requested that the document be placed on the Agency's website to help developers who may be having issues dealing with appeals of tax assessor decisions.

President Bailey expressed his gratitude for the leadership efforts of both men in getting the matter thru the legislative process. That concluded the President's Report.

HUMAN RESOURCES

Commissioner Dr. Brown noted that his committee only had one action item and recommendation. The action item being the Policy Revision on Policy #14 dealing with the Agency's Overtime Policy. Said policy had been developed by Human Resources Director Tim Gilmore and reviewed by LHFA staff attorneys – all of who supported the approval of the policy as it would make sure that there are no abuses to accumulation of overtime and that employees would be required to get prior approval before working overtime. Commissioner Dr. Brown offered a motion before the Board adopting Overtime Policy #14.

On a motion by Commissioner Dr. Brown and seconded by Commissioner Gachassin, the LHFA Overtime Policy #14 was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Commissioner Dr. Brown furthered presenting the recommendation of the President's Compensation and Contract. He noted that President Bailey was elected in April 2007 for another one-year term and was evaluated at the time with an above excellent rating. Additionally, the President's previous contract was entered into during August 2006 and was up for review and consideration in August 2007.

MULTIFAMILY COMMITTEE REPORT

Chairman Woods forwarded the floor to Commissioner Madderra who briefly went over the Bond Finance issues that needed Board affirmation.

First to be discussed was the Lapalco Court Apartments Project which has subsequently been review by the Multifamily Committee who supported its adoption thereof.

On a motion by Commissioner Gachassin and seconded by Commissioner Kennedy, the resolution of intent to issue Multifamily Housing Revenue Bonds to finance the acquisition, rehabilitation and equipping of a multifamily housing project; authorizing not exceeding Six Million Four Hundred Thousand Dollar (\$6,400,000) Multifamily Housing Revenue Bonds for Lapalco Court 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.

Second item discussed was the proposal from Morgan Keegan & Company, Inc. for up to \$17M in Housing Finance Bonds for the Jefferson Lakes Apartments Project. Commissioner Madderra noted the apartments were located in Baton Rouge and that the matter has also been review by the Multifamily Committee and that the project already has some affordable housing and affordable market rate components; and that the committee recommended the proposal's adoption.

On a motion by Commissioner Madderra and seconded by Commissioner Gachassin, the resolution to accept the proposal of Morgan Keegan & Company, Inc., for the purchase of not exceeding SEVENTEEN MILLION DOLLARS (\$17,000,000) of Louisiana Housing Finance Agency Multifamily Housing Bonds for Jefferson Lakes Apartments 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 therewith, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Commissioner Madderra noted that although out of sequence with the Agenda items, he'd like to forward the resolution for Jefferson Lakes Apartments request for an allocation of 4% Low Income Housing Tax Credits in connection with the issuance of the aforementioned bonds matter. He also noted that this matter had been likewise reviewed by the committee and its adoption was recommended thereof.

On a motion by Commissioner Madderra and seconded by Commissioner Gachassin, the issuance of \$807,000 in Low Income Housing Tax Credits for Jefferson Lakes Apartment located in Baton Rouge, East Baton Rouge Parish, Louisiana; and providing for other matters in connection therewith, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

The last item under the Multifamily Bond portion dealt with the request from Red Stone Partners for a \$9.5M housing Refunding Bonds for The Reserve at Jefferson Crossing Apartments Project, located in Baton Rouge, Louisiana. Commissioner noted that matter has been reviewed by the committee who recommended adoption thereof.

On a motion by Commissioner Madderra and seconded by Commissioner Gachassin, the resolution accepting the proposal of Red Stone Partners for the purchase of not exceeding NINE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$9,500,000) of LHFA Multifamily Housing Refunding Bonds for The Reserve at Jefferson Crossing 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 therewith, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Next item discussed was the Multifamily Volume Cap Allocation. Commissioner Madderra invited Louis Russell and Wayne Neveu to address the board and given an overview of the matter. Loretta Evans began the discussion in lieu of Mr. Russell. She noted that the request before the Board was to allow the Agency to go before the Governor and the Bond Commission to request an additional \$50M or whatever amount is deemed necessary to offset the current projects' \$30M negative balance.

Wayne Neveu furthered giving an explanation of the need for Volume Cap of Multifamily projects. He noted that this was pre-notification to the Board for the Agency to perhaps request Volume Cap for projects that were unused at the end of the year to be banked for future year projects. Commissioner Madderra noted that after discussion with legal counsel and staff, no action was required as the deals referenced has previously been approved. But that the staff

needs to further examine the amount(s) needed to meet the Agency's needs, not just for Multifamily but likewise for Single Family over the next couple of years so that the Governor can be fully aware of the Agency's needs. Wayne continued his discussion giving a brief history of the Agency's bond issuance levels.

Commissioner Austin discussed the Volume Cap authority and noted that he felt that both Multifamily and Single Family allocation requests should be handled simultaneously. Additionally, he noted that the GOZone Bond program was over allocated. Commissioner Austin continued that the Board should consider going before the Bond Commission and seek set aside bonds in the amount of \$1B (One Billion Dollars) for housing over the next three(3) years of the return funds. Commissioner Gachassin concurred with Commissioner Austin's suggestion thereof.

Commissioner Gachassin furthered by discussing the Lafayette Public Trust Finance Authority began allowing reservations on its first issue since 1995. However, on July 2, 2007 they had over \$18M in program reserves. He then requested clarification from Commissioner Kennedy on the aspects of those deals not having closed being placed in reserve for future usage by LHFA as well as Local Trust and Finance Authorities.

Commissioner Kennedy noted that the Bond Commission will issue a decision on used credits at its upcoming meeting to require issuers to either use their allocated bonds or return them; and that it has been rumored that the Bond Commission may run out of capacity, therefore the number of bond applications to the Commission have increased substantially. He also stressed that he'd like to invite Commissioners Bob Austin and Greg Gachassin to the next meeting of the Bond Commission to make them aware of the LHFA needs and concerns.

Commissioner Greg Gachassin thereafter directed the LHFA staff to devise a formal request, plan of action, and agenda for presentation at the upcoming Bond Commission meeting. Commissioner Kennedy likewise thereafter advised the LHFA to confer with Alice Washington regarding facilitating said appearance at the next Bond Commission meeting.

Ratification of Actions by the Czars:

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

Whispering Oaks - Requesting a reduction in the number of 20% poverty units, from 12 to 2. For the project to receive the City of Lake Charles HOME Program award of \$93,000, the grant agreement requires the project to set aside not more than 2 units. **–Denied as request did not meet the requirements of the application nor the requirements of the program.**

Classic Construction of New Orleans, Venture II - Developer was unable to purchase three properties listed on their scattered site project's application, but have found three suitable replacement properties within one mile of the original properties and would like to change to these locations. - **Approved pending a counsel opinion; also noted there were no significant changes in the application itself.**

St. Joe Lofts - Attorneys for the investor recommend the separate ownership of the historic and new construction in order that the GO-Zone depreciation might be used for the new construction. - **Approved pending a favorable F&V analysis from a reprocessing application; also noted there was no adverse impact on the application as made.**

Passman Plaza - Requesting to return 2006 credits and reissue 2007 credits in order to meet 10% Carryover. - **Approved provided the project keeps the original place in service date.**

Commissioner Madderra requested Louis Russell give a brief analysis of the aforementioned Passman Plaza matter. Louis discussed the 10% carryover submission and IRS criteria thereof the 8609's.

Winchester Hollow, Foster Woods, Lancaster Ridge- Requesting either 1) Additional debt raised through the removal of the households in poverty or 2) An additional \$24,469 in annual tax credits from the Agency (total new allocation \$362,000). - **Denied because the poverty set aside is an important issue that must be met.**

Bywater Art Lofts - Requesting to modify application with the following changes after speaking with the Historic Districts and Landmarks Commission: 1) Decrease from 54 units to 37 units 2) One of the 1-bd will be a manager's unit 3) Change in legal description to eliminate two vacant lots 4) Reduce reservation amount from \$765,000 to \$736,191. - **Approved due to the historic nature of the project.**

Canterbury House Apartments – The investor requested adjusting the market rate rents for all unit types downward to the net collected rent levels at 60% AMI to syndicate the tax credits. The developer proposed that an increase in the amount of the CDBG Gap Financing Loan by approximately \$10,000,000 would be sufficient to cover the gap credited by the substantial reduction of next operating income. **Czar action: Initially the Czars denied the request to make a recommendation to LRA for the request to underwrite all market rate units at 60% AMI. However, the developer produced one additional letter from the syndicator, prompting the czars to request how much of the developer fee he will be willing to forfeit (not defer) in order to close the deal.**

Timberland Apartments – Requesting agency's approval to request additional CDBG funds to overcome shortfall and underwriting market units at 60% AMI. **Denied -- as request does not adhere to CDBG funds usage stipulations.**

AMOS Project – At submission, the developer indicated that the project would not receive PBRA, as a condition thereof his project received an additional 150 points. However, as his reprocessing change letter indicated his project would now be receiving Deep Affordability Gap Funding from LRA. Staff Counsel reviewed this matter and agreed with developer's request that there would be no impact the elimination of the 150 points. **Approved pending a review by Wayne Neveu.**

Commissioner Broussard thereafter requested a delay in any action on the Whispering Oaks Project matter pending further clarifications.

Commissioner Gachassin requested that due to the technical nature of the actions that they be presented individually instead of *in globo*.

Chairman Woods concurred with Commissioner Gachassin, and accordingly recognized the **motion by Commissioner Broussard that was seconded by Commissioner Gachassin to delay action on the ratification of the denial in the Whispering Oaks matter pending further discussions.**

Thereafter, Commissioner Broussard requested the developer of the Whispering Oaks project to address the Board. Mr. Archie Jones introduced himself to the Board as the consultant to the Lake Charles Council on Aging which is the sponsor of the project. He gave a brief history of the project noting that at the time the application was submitted they were able to garner \$93K from the City of Lake Charles which carried with it a requirement for two affordable units at the 20% level. Currently, there are issues of viability of the project. Commissioner Gachassin questioned Mr. Jones as to the status of the funds availability. Mr. Jones noted that the funds are no longer available from the City. Commissioner Woodruff-White countered as to why the funds were no longer available. Mr. Jones reiterated that the funds are simply no longer available. Commissioner Kennedy furthered the discussion for more clarification on why the funds were no longer available. Mr. Jones noted that at the time of the initial request that he had vouched for 12 units when in fact it should have been for 2 units and that his request was based on the assumption of future funds availabilities from the City, which no longer has the money available except for \$93K for 2 units but no funding for 12 units. Commissioner Gachassin requested a substitute motion to accept the czar's denial of the project. Commissioner Broussard inquired as to why the project was being denied in light that it was going to produce 2 units which are better than no units. President Bailey noted that the reduction from 12 to 2 units constitutes a substantial change based on the QAP; he also questioned the reasonableness of why the original request was made at 12 units when in fact Mr. Jones was fully aware that he could only accomplish 2 units.

On a motion by Commissioner Gachassin and seconded by Commissioner Dr. Brown, the substitute motion to ratify the czar's denial of a request for a reduction in the number of 20% poverty units from 12 to 2 for the Whispering Oaks Project was adopted. There being

no further discussions or oppositions, the matter was voted on with the only dissention vote being from Commissioner Broussard. Accordingly, the motion carried.

Commissioner Kennedy noted that he would have to leave the meeting but that he wanted more info to be developed and disseminated to the Congressional Delegation on the Chairman's Pilot Program. Chairman Woods acknowledged his request thereof.

Pending Czar Ratifications were enacted upon accordingly:

On a motion by Commissioner Madderra and seconded by Commissioner Gachassin, the request by Classic Construction of New Orleans Venture II for a site change, was adopted pending an opinion from LHFA counsel. There being no further discussions or oppositions, the matter was unanimously passed.

On a motion by Commissioner Madderra and seconded by Commissioner Gachassin, the request by St. Joe Lofts for a separate ownership of the historic and new construction in order that the GO-Zone depreciation might be used for the new construction, was adopted pending a favorable F&V analysis from a reprocessing application. There being no further discussions or oppositions, the matter was unanimously passed.

On a motion by Commissioner Madderra and seconded by Commissioner Gachassin, the request by Passman Plaza to return 2006 credits and reissue 2007 credits in order to meet the 10% carryover, was adopted provided the projects keeps the original place in service date. There being no further discussions or oppositions, the matter was unanimously passed.

On a motion by Commissioner Madderra and seconded by Commissioner Lawson, the request by Winchester Hollow, Foster Woods, and Lancaster Ridge for either additional debt raised through the removal of the households in poverty or an additional \$24,469 in annual tax credits from the LHFA, was denied. Commissioner Gachassin questioned as to whether the 3 above referenced properties were with the same developer in addition to clarification of the request. Mr. Tim Smith from Hope Development Services addressed the Board noting that the project was for three 20-unit development deals in Baton Rouge with a single developer based in Texas but doing multiple projects in Louisiana. There were some additional conversations on this matter noting similar aspects in the previous Whispering Oaks decision. Mr. Smith stressed that the main issue is that of cost overrun and a reprocessing application matter. Commissioner Broussard inquired as to whether any additional tax credits are available for this matter. Commissioner Madderra and President Bailey noted there were not pools of available tax credits available for allocation in this matter. **There being no further discussions or oppositions, the matter was unanimously passed.**

On a motion by Commissioner Broussard and seconded by Commissioner Madderra, the request by Bywater Art Lofts to decrease the units from 54 to 37 which was approved by the Czars due to the historic nature of the project; and to reduce the reservation amount of the credits from \$765,000 to \$736,131, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

On a motion by Commissioner Madderra and seconded by Commissioner Gachassin, the request by Canterbury House Apartments to adjust the market rate rents for all unit types downward to the net collected rent levels at 60% AMI to syndicate the tax credits, was denied. Commissioner Gachassin requested clarification on the request. Commissioner Madderra noted the project was a mixed-income development that was having difficulty getting syndicators to accept the deal. There were additional discussions on the matter. Commissioner Broussard requested the location of the project. Chairman Woods noted the project was a 274 unit development in New Orleans East. Additionally, Ms. Kelly Longwell of Coats Rose noted the problems with syndication as due to the \$200 rent rate differential. Thereafter, Mr. Mike Roderer of HKP, Inc. countered Ms. Longwell's explanation by giving an explanation on the return on investment aspects of the project. President Bailey discussed that the policy should remain as stipulated. Commissioner Madderra continued the discussion on aspects of the tipping point parameters. Commissioner Gachassin furthered with discussion on the 60/40 aspects. Mr. Roderer noted they would still have the same issue(s) whether irregardless of the % set aside. Ms. Longwell advised the group was incentivized on the project remaining a mixed income property and would be willing to forfeit their 15% developer fee. Commissioner Brown stressed that if the Board was going to try to make each project affordable, then the process should start over with a rediscussion of the Whispering Oaks matter and all other previously voted on Czar Actions. Commissioner Austin furthered that the Board should try to be consistent in its decision processes in such matters. Commissioner Williams noted that the notice of 100% affordable housing is not a wise choice and will not be accepted in the New Orleans areas due to historical problems. **There being no further discussions or oppositions, the matter was voted on with the only dissention vote being from Commissioner Gachassin. Accordingly, the motion carried.**

On a motion by Commissioner Madderra and seconded by Commissioner Broussard, the request by Timberlane Apartments for additional CDBG funds to overcome shortfall and underwriting market units at 60% AMI, was denied. Jamie Neville from Neville Development spoke on behalf of Timberlane Apartments noting the current gaps between the market rate range and the established rent rate levels. Commissioner Gachassin suggested the developers approach the LRA. Ms. Longwell responded that the LRA requested prior approval from LHFA. Commissioner Madderra suggested possible 80/20 deal amendments to the project. Commissioner Gachassin requested the site location. Mr. Neville responded 680 Lapalco Boulevard in Gretna. **There being no further discussions or oppositions, the matter was unanimously passed.**

The final Czar Action discussed was the **AMOS Project**. Louis Russell gave a brief history on the matter noting that the developer had not requested in his application to receive project based rental assistance from LRA-OCD and that the matter involved gap financing and point issuance matters that had been reviewed by LHFA counsel who recommended the project be approved as it did not trigger the point category; however, the Committee recommended a further review be done by outside counsel to ascertain if the gap that was created could fit into a category that could be utilized accordingly and whether or not there was a correlation between the PDRA and the gap financing.

Wayne Neveu addressed the Board discussing the legal aspects of the gap noting that a formal written response from LRA-OCD on the gap financing aspects was needed for full clarification and thereafter for Board approval.

On a motion by Commissioner Broussard and seconded by Commissioner Madderra, the AMOS Project request for a reprocessing change was deferred pending LRA clarification, was adopted. There being no further discussions or opposition, the matter was unanimously passed.

Commissioner Dr. Brown thereafter requested whether the concept process of Ratifications by the Czars was still a effective way of serving the needs of the Board as items are presented to the LHFA, then to the Czars, then to the Committee, and then to the Board. Chairman Woods responded that some requests have an immediate need and cannot wait until Board for pre-determinations of actions and the process facilitates these matters most efficiently. There were further discussions between Chairman Woods and Commissioner Dr. Brown on the matter. Dr. Brown requested that the Czar Ratification of Actions process be put in written form for review by the Legal staff. Chairman Woods suggested that a review of the Minutes from the approval meeting should suffice Dr. Brown's request. Commissioner Woodruff-White followed expressing her delight in the Czar Ratification process and its efficiency thereof.

Next item on the Agenda was a discussion of the policy regarding returned and recaptured credits. Commissioner Madderra noted that there were 3 probable policy ideas as to how to most effectively reallocate returned credits: 1) give additional credits to funded projects; 2) fund projects from the current list of unfunded 2007/2008 projects; 3) look into the possibility of using the GO-Zone returned credits to fund applications submitted during the per-capita round located in the GO-Zone but still excluding the eight (8) most devastated areas. A fourth option was later noted, that being to allow projects that have the ability to add additional units to do so with additional credits.

Commissioner Gachassin inquired as to what was the current policy on returned credits. Louis Russell responded the procedure currently used was to look at unfunded projects. Commissioner Gachassin requested clarification as to whether the current policy was Board-approved. Mr. Russell responded that the procedure currently utilized was not Board-approved. Chairman Woods concurred that he did not likewise recall any Board ratification on the matter. Commissioner Gachassin thereafter requested from Mr. Russell a copy of the minutes by which the LHFA used as a catalyst in comprising the current procedure utilized on returned credits decisions. Commissioner Broussard stressed that the LHFA shouldn't accept new applicants if other applicants are still pending. Commissioner Madderra requested a policy be drafted for review by the Board at the August 2008 meeting. This request was concurred on by Commissioner Broussard in addition to Commissioner Woodruff-White. There were some inaudible comments thereafter from the audience.

David Miller of the Renaissance Property Group addressed the Board regarding the Falstaff Apartments project. He noted that the project was at 25% construction completion, and that he was before the Board to request additional credits. He noted the 4th option for the use of returned credits, as referenced earlier. Commissioner Woodruff-White inquired as to if this would entail a change in the initial application submission aspects. Additionally, Commissioner Gachassin followed inquiring on how developers can proceed on changing prior legal and/or regulatory

approvals already obtained during their initial application submission. Mr. David Miller responded that it may entail the developer having to alter their permit application; however he did note that he was aware that other regulatory entities were willing to work with him on the issue(s) referenced.

Thom Vaccaro from the NHP Foundation furthered by discussing the density of poverty reduction aspects and also questioned the fairness of resubmission of an application, in particular Walnut Square Apartments, as it relates to staying within the current QAP parameters.

Commissioner Madderra directed the LHFA staff to formulate a position paper for submission to the public for review and comments by the August 2008 Board meeting.

Matt Schwartz from Domain Companies thereafter discussed the 750 Jeff Davis – which is a 72-unit 100% tax credit development. He noted his group has submitted a request for an addition; \$435,000 credits because of market circumstances they encountered – in particular, that they were unable to find interested contractors or subcontractors due to the size of the project – accordingly the project cannot go further based on the original cost submissions so on June 1st they submitted said request for additional credits.

Next item discussed was the Greystone/Fannie Mae Joint Initiative matter. Commissioner Madderra gave a brief history of the matter. Thereafter, Byron Turner – Fannie Mae Deputy Director, addressed the Board noting he was present to take back to his group any inquiries the Board may have as to how Fannie Mae may help the Agency in securing small loans for various projects by partnering up with lender Greystone.

Commissioner Gachassin inquired as to exactly what were the parameters of the Joint Initiative. Commissioner Madderra noted that the Agency was not specifically endorsing any specific entity but simply exploring other loan securing options that may not currently be available to all developers.

Commissioner requested approval to add to the Agenda the Potential Loss of Volume Cap matter to the Agenda.

On a motion by Commissioner Gachassin and seconded by Commissioner Austin, the rules were suspended to add the discussion item Potential Loss of Volume Cap to the Agenda. There being no further discussions or opposition, the matter was unanimously passed.

Wayne Neveu addressed the Board giving a brief history of the aforementioned GO-Zone tax credits matter in addition to explaining the state credit ceiling formula. He also advised the Board of the need to inform developers that the 10% carryover certification application must be completed by December 1st instead of the current date as referenced in the QAP. There were continued discussions on this matter by Messrs. Neveu, Gachassin, and Madderra. President Bailey concurred on the need to promptly notify all concerned parties of the deadline date change. Thereafter, Commissioner Madderra directed the LHFA staff to review and inform the

Board, in particular the Multifamily Committee, of what were the Agency's responsibilities in this matter to ensure compliance by everyone. Commissioner Madderra requested LHFA staff and Legal counsels review the matter further and inform the Board of the issues and responsibilities accordingly so that the matter can be discussed prior to the August 2008 Board Meeting as a possible Czar Action and handled promptly thereof. There were some inaudible comments from the audience. Commissioner Woodruff-White stressed the need for prompt notifications of all involved to ensure minimization of lost credits risks and suggested putting the change notification on the Agency's website since it appeared everyone was requesting immediate action be taken instead of waiting for further analysis of the issues.

On a motion by Commissioner Madderra and seconded by Commissioner Woodruff-White, the Board approved the change to the 10% carryover date to December 1, 2007, and directed the LHFA staff to timely notify all concerned parties of the date change. There being no further discussions or opposition, the matter was unanimously passed.

Commissioner Woodruff-White briefly addressed the Board on the 10% bonus points in the QAP instructions be placed on the website for informational purposes.

SINGLE FAMILY COMMITTEE

Commissioner Austin advised the Board that the 2007B, 2007A, 2006D, 2006BR, 2006B, Issues and Whole Loan Report updates were in the Board binders for review.

On a motion by Commissioner Gachassin and seconded by Commissioner Woodruff-White the rules were suspended to add the discussion item NCSHA/Fannie Mae Agreement to the Agenda. There being no further discussions or opposition, the matter was unanimously passed.

Commissioner Austin gave a brief history on the Agreement to the Board. Commissioner Gachassin furthered that he had the actual agreement if anyone wanted to review it, noting that the document was a proprietary agreement and therefore may not be covered under dissemination under the Public Records Law. He furthered noted that Fannie Mae and Freddie Mac were trying to position themselves for enhanced involvement with the Agency by offering certain incentives and expanded underwriting on certain mortgage products, in exchange for the LHFA agreeing to deliver the majority of all loans thru Fannie Mae Securities. The Single Family Committee reviewed the agreement and recommends adoption thereof with the stipulation of two amendments: that 1) My Community Mortgage Expended Approval 2 Loans – referred to as “EA2” for short, would be included in the agreement and that the Agency would be allowed to continue deliver said EA2 loans and 2) there be a March 2008 opt-out language clause.

On a motion by Commissioner Gachassin and seconded by Commissioner Austin, it was approved for the LHFA to enter into an agreement with Fannie Mae with the addendum

for acceptance of the EA2 Loans under the My Community Mortgage Product, and also being duly noting that the March 2008 opt-out clause is already inclusive of the contract. There being no further discussions or opposition, the matter was unanimously passed.

SPECIAL PROGRAMS/HOME COMMITTEE

Commissioner Broussard noted there were no items needing discussion by the Board; and that the Home Reconciliation Report Update was in the binders for review.

ENERGY COMMITTEE

Chairman Woods noted that the 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) items were in the binders for review.

OTHER BUSINESS

The last Agenda item to be discussed was the approval of the resolution to adopt the Louisiana Audit Questionnaire for Audit Engagements of Governmental Entities. LHFA CFO Rene Landry addressed the Board giving a brief explanation of the matter. He noted this was a standard document utilized to assist in the furtherance of the current Legislative Audit being conducted at the Agency with no changes from previous years' requirements.

On a motion by Commissioner Broussard and seconded by Commissioner Austin, the resolution to adopt the Louisiana Audit Questionnaire for Audit Engagements of Governmental Entities, was approved. There being no further discussions or opposition, the matter was unanimously passed.

ADJOURNMENT

There being no other matters to discuss, Commissioner Austin offered a motion for adjournment that was seconded by Commissioner O'Neal. There being no further discussions or oppositions, the matter was unanimously passed. **The Full Board meeting adjourned at 2:10 pm.**

Chairman

Secretary