

**Louisiana Housing Finance Agency
Full Board Meeting Minutes
Wednesday, November 14, 2007
2415 Quail Drive
V. Jean Butler Board Room
Baton Rouge, LA 70808
11:00 A.M.**

Commissioners Present

Wayne E. Woods
Allison A. Jones
Alice Washington obo John Kennedy
Bob Austin
Mark Madderra
Merriell Lawson
Lisa Woodruff-White
Larry J. Broussard
Guy T. Williams

Commissioners Absent

Dr. Adell Brown, Jr.
Danette O'Neal
Carolyn Burris

Legal Counsel Present

Wayne Neveu, Foley & Judell

Staff Present

Milton Bailey
Barry Brooks
Christine Bratkowski
Tina Powell
Louis Russell
Rene Landry
Annie Robinson
Keith Cunningham
J C Caesar
Dana Pitts
Brenda Evans
Christine Bratkowski

Leslie Strahan
Jayne Snyder
Jeff DeGraff
Urshala Hamilton

Others Present

See Sign-In Sheet Attachment

Chairman Woods called the meeting to order at 12:00PM. 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 - see attached Sign-In Sheet.

On a motion by Commissioner Dr. Brown and seconded by Commissioner Robert Austin the minutes of the October 29, 2007 Special Full Board meeting were approved. There being no further discussions or oppositions, the matter was unanimously passed.

CHAIRMAN'S REPORT

Chairman Wayne Woods began the meeting by reiterating the Board's mission and goals were to protect the citizenry of the State and the Nation. He thereafter asked for reconciliation between all parties in their past differences. He also thanked the LHFA staff for all of their hard work in the previous weeks and for their continued spirit and commitment after so much negative press in response to the recent letter sent to LHFA by Governor Blanco. He also applauded the leadership of LHFA President Milton Bailey.

Additionally, he thanked the Commissioners in for their past attendance and diligence in participating in the numerous past Special and Full Board Meetings, as well as the many various Committee Meetings.

Chairman Woods furthered by quoting a verse he had received that morning from 1st Corinthians that those that labor in the efforts of the Lord will not have their work done in vain. There was a supportive applause from the audience thereafter.

PRESIDENT'S REPORT

Mr. Bailey reiterated to everyone that he was standing by his "...no comment" statement in so far as the recent media articles and matters related thereof were concerned.

MULTIFAMILY RENTAL HOUSING COMMITTEE REPORT

Loretta Wallace went over the specifics for the Breaux Bridge Broussard Apartments Project's \$1.5M Revenue Bonds Resolution, noting that the matter has been discussed in committee and the staff recommended approval thereof.

On a motion by Commissioner Mark Madderra and seconded by Commissioner Robert Austin, the resolution accepting the proposal of Capital One, National Association, for the purchase of not exceeding One Million Five Hundred Thousand Dollars (\$1,500,000) Louisiana Housing Finance Agency Multifamily Housing Revenue Bonds (Breaux Bridge Broussard 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, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Next, Commissioner Mark Madderra informed the Board that the three(3) resolutions on the agenda were matters being handled by the same developer and lender and were needing Board approval because the parties had underestimated the amount of bonds; he also noted that the matters had been reviewed in committee and had committee approval thereof.

Ms. Wallace thereafter went over the specifics for Candlewood Estates Apartments Project's \$1.2M request for Revenue Bonds.

On a motion by Commissioner Mark Madderra and seconded by Commissioner Larry Broussard, the resolution accepting the proposal of Capital One, National Association, for the purchase of not exceeding One Million Two Hundred Thousand Dollars (\$1,200,000) Louisiana Housing Finance Agency Multifamily Housing Revenue Bonds (Candlewood Estates 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, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Ms. Wallace thereafter went over the specifics of Oakwood Estates Apartments Project's \$1.5M request for Revenue Bonds, noting the matter has staff recommendations for approval.

On a motion by Commissioner Mark Madderra and seconded by Commissioner Larry Broussard, the resolution accepting the proposal of Capital One, National Association, for the purchase of not exceeding One Million Five Hundred Thousand Dollars (\$1,500,000) Louisiana Housing Finance Agency Multifamily Housing Revenue Bonds (Oakwood Estates 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, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Next item discussed by Commissioner Mark Madderra as an Update on Project Schedule and PIS Date for HANO projects. Brenda Evans went over the HANO timelines specifics and guidelines thereof, noting there were needed amendments to the current Resolution being presented to the Board.

Commissioner Mark Madderra noted that the staff was concerned about the projects coming on-line; also noting that demolition is scheduled to begin on the projects in mid-December 2007.

Commissioner Lisa Woodruff-White requested that and item #7 be added to the Resolution to reflect encompass the expectations of the LHFA staff in the matter.

On a motion by Commissioner Mark Madderra and seconded by Vice-Chair Allison Jones, the resolution approving and providing that the Board of Commissioners of the Louisiana Housing Finance Agency (“Board”) accept the Plan of Action regarding the revised timeline submitted by the Housing Authority of New Orleans (“HANO”) in conjunction with the St. Bernard I, B.W. Cooper, Lafitte, C.J. Peete I/III and Fisher tax credit properties, was adopted with the Exception that it incorporates the previously referenced two modifications. There being no further discussions or oppositions, the matter was unanimously passed.

An Updated on the Project Schedule and PIS Date for Providence 202 Projects was the next item discussed, via Commissioner Mark Madderra and Brenda Evans. Commissioner Madderra went over the history of the projects and noted that the Resolution is extending the carryover deadline until the next Board Meeting of December 10th in order to facilitate a meeting between the parties.

On motion by Commissioner Mark Madderra and seconded by Vice-Chair Allison Jones, the resolution authorizing an additional extension of submission of Carryover Allocation Documentation requirements as stipulated in the 2007/2008 forward allocation GO-Zone QAP by Louisiana Housing Finance Agency (the “Agency”) on projects represented by Providence Community Housing as follows: Nazareth Inn I, Nazareth Inn II, Annunciation Inn, Delille Inn, St. John Berchmans, Villa St. Maurice, Villa Additions and St. Martin Manor until December 12, 2007; and providing for other matters in connection therewith, was approved. There being no further discussions or oppositions, the matter was unanimously passed.

Last item discussed under the Multifamily Committee was an Update on Projects Receiving a Reservation of Returned/Recaptured Credits, by Commissioner Mark Madderra. Louis Russell informed the Board that there were \$4.9M in RRC available and that there were currently five (5) projects approved thereof in the amount of \$4.7M.

SINGLE FAMILY COMMITTEE REPORT

Commissioner Robert Austin noted that the Updates on the 2007C, 2007B, 2007A, 2006D Issues and Whole Loan Report were in the Board's binders for their review.

LHFA staff member Mary Antoon and Richard Wolcott from Standard Mortgage then discussed the Master Servicer process and the request from Standard Mortgage to increase the fees to broker transactions by \$175.00.

Vice-Chair Jones inquired as to whether the \$175 was in fact a new fee request. Mr. Wolcott replied affirmatively. Commissioner Robert Austin added that the fee thereof was an industry-wide standard. Chair Woods inquired as to who the fee would come from. Commissioner Austin replied that the borrower would pay the additional fees.

There was some discussion thereafter as to whether the RFP had previously included a fee in the specifics. Mr. Wolcott noted that the choice to charge the fee is determined by the broker and/or the borrower.

Ms. Evans informed the Board that the fee structures had been compared and were in fact reviewed during the RFP; and she noted that Standard as she recalled was has the lowest fee.

Vice-Chair thereafter requested more clarification of the fee as presented in the initial RFP and Chairman Woods inquired as to if the Single Family Committee was supportive of the fee increase.

Single Family Committee Chair Robert Austin noted that the committee had not actually met to discuss that matter but that the fee was not unusual and that he recommended the approval of the increase.

Chairman Woods requested that the staff provide the Board with an analysis of industry fee comparisons.

On a motion by Vice-Chair Allison Jones and seconded by Commissioner Larry Broussard, the request by Standard Mortgage for an increase of fees to brokers in the amount of \$175.00, and providing for other matters in connection therewith, was approved, subject to an analysis of industry fees by LHFA staff. There being no further discussions or oppositions, the matter was unanimously passed.

Mary Antoon next discussed the Approval of an Extension for the 2006D Issue. She advised the Board that they would be issued to 1st Responders and Low Raters. The extension date requested was April 30, 2008.

On a motion by Commissioner Robert Austin and seconded by Commissioner Dr. Brown, the 2006D Issue was extended to April 30, 2008; and providing for other matters in connection therewith, was approved. There being no further discussions or oppositions, the matter was unanimously passed.

ENERGY ASSISTANCE COMMITTEE

Commissioner Larry Broussard informed the Board that the Energy Committee did not have a prior meeting and that updates to the LIHEAP, WAP, and Katrina/Rita Crisis Assistance matters was in their binders.

He did note that they had one item needing Board approval. Thereafter, LHFA staff Darlene Okammor advised the Board that approval was need for the signing of an Award Agreement between the Agency and DOE for the Weatherization Assistance Low Income Persons Grant Program. She also noted that the Agency had held a public hearing on the matter on October 30, 2007. Approval from the Board was needed due to the fact the congressional budget cuts had reduced the allocation from \$1.9M to \$1.5M.

On a motion by Commissioner Larry Broussard and seconded by Vice-Chair Allison Jones, the Board approved the Agency signing an Acceptance Agreement Notice of Financial Assistance Award from DOE in the amount of \$1,550,758.00; and providing for other matters in connection therewith, was approved. There being no further discussions or oppositions, the matter was unanimously passed.

It was thereafter noted by Ms. Okammor that the program began on April 1, 2007 and would conclude on March 31, 2008; she also noted that the Agency's participation in the award would take effect immediately upon the signature completion.

SPECIAL PROGRAMS

Commissioner Larry Broussard introduced LHFA staff attorney Leslie Strahan to bring the Board up-to-date on the Housing Trust Fund Guidelines. Ms. Strahan gave a brief historical synopsis of the Housing Trust Fund Committee and requested the Board approve the Guidelines thereof, with the exception to item #6 so as to reflect that the Board Chair would be able to approve any future changes to the program without Full Board concurrence.

Chairman Woods advised the Board that June 30, 2008 is the expenditure of funds deadline in that program. He also noted that the goal was to award grants throughout the state on an as-needs-basis formula; and that the Guidelines were put together by the Advisory Council of the Housing Trust Fund Committee.

Commissioner Broussard requested the Guidelines be amended so that twenty(20) points be added for projects in municipalities with a population of 3,500 or less in Hurricane Katrina/Rita designated disaster areas. In addition, those municipalities submitting grant applications must be first-time Agency applicants.

HTF member Randy Nichols requested that the Board make sure that rural areas are given preference in the selection criteria.

Thereafter, Commissioner Broussard withdrew his previous amendment request as the items he referenced were already inclusive in the Guidelines thereof after further review.

There was some discussion as to the quantitative statistical analyses and how they were arrived at. Randy Nichols noted that though he did not the 2006 poverty level dynamics, he was confident in the other data that was included as referenced and parameters in the Guidelines.

Commissioner Robert Austin inquired to SP29 item #9 that deal with 35% soft costs.

Chairman Woods noted that he did not want the Board Chair to make exclusive decisions on Housing Trust Fund matters. In the alternate he'd prefer the Chairman, Vice-Chair, and the Committee Chairperson to set up a process similar to the used in tax credit matters – that being the “Czars.” He also noted he did not concur in the 35% soft costs as previously noted by Commissioner Austin.

Commissioner Austin advised the Board that he felt 20% soft costs was more comparable.

Thereafter, Commissioner Broussard advised the Board that he felt 25% soft costs was more comparable.

LHFA President Milton Bailey advised the Board that perhaps 15-20% soft costs was perhaps a better range.

On a motion by Commissioner Larry Broussard and seconded by Commissioner Robert Austin, the Board approved the Louisiana Housing Trust Fund Guidelines, with the Exception that future modifications would be approved by Board Chair, Vice-Chair, and Committee Chairperson, that item #9 would be revised to reflect soft cost of 20% instead of 35%; and that there would be a competitive review.

Commissioner Dr. Brown thereafter requested that the Board not be so quick to always give approval of Agency matters solely to “the Czars” and instead should have pertinent matters discussed and approved before the Full Board.

Chairman Woods additionally noted that he wanted to ensure that all segments of the populace are within eligibility for assistance from the Fund. Accordingly, Commissioner Austin suggested removing the 80% income parameters and go via AMI – 120% or below.

There were some discussions between Ms. Strahan, Mr. Nichols, and the Board regarding the parameters of eligibility thereof.

On a Substitute Motion by Commissioner Dr. Brown and seconded by Commissioner Lisa Woodruff-White, the Board adopted the Guidelines subject to the aforementioned revisions and further review and suggestion of approval by the Committee and presentation of final

version of the Guidelines thereof. There being no further discussions or oppositions, the matter was unanimously adopted accordingly.

On a motion of Commissioner Larry Broussard and seconded by Commissioner Robert Austin the Rules were suspended to add to the Agenda the St. Bakhita Properties matter. There being no opposition, the item was accepted and opened for discussion by the Board.

Brenda Evans advised the Board that the staff had recently discovered some technical issues in the project. Thereafter, Agency attorney Wayne Neveu gave a detailed history of the St. Bakhita Project. He also suggested that 1) St. Bakhita must supplement their F/V report, 2) that the Board approve the tax credits with the aforementioned supplemental report, 3) that Ujamaa will sell to Providence via a price equal to the home loan with stipulations that the ground lease less building #12 and with a 100% surplus cash flow to pay down the home loan, and 4) that information be provided to the Agency as to what happened to any insurance proceeds received.

On a motion by Vice-Chair Jones and seconded by Commissioner Mark Madderra, the Agency staff and counsel were authorized and directed to prepare the forms of such letters, documents and agreements as may be necessary implement and complete the provisions of arrangements specified the preamble of this resolution, including (i) such documents as may be necessary to acknowledge and approve the award of tax credits pursuant to the Combined T/C Application following receipt of an acceptable feasibility and viability report and (ii) such documents as may be necessary to approve the transfer of the Project to Providence and (iii) the appropriate subordination of the HOME Mortgage and HOME Regulatory Agreement to facilitate the redevelopment of the Project by St. Bakhita. There being no further discussion or opposition, the matter was unanimously adopted.

LEGAL COMMITTEE REPORT

Vice-Chair Jones noted that at the October 29, 2007 Board Meeting, it was resolved that the LHFA staff send out an RFP for a Construction Manager Contract for the Katrina Cottages Project; and that said RFP's be received by the Agency no later than November 7, 2007 for review. There were ten (10) RFP's received. A Committee comprised of Chairman Woods, Commissioner Austin, and Commissioner Broussard, along with LHFA staff members Jeff DeGraff, Roger Tijerino, and Keith Cunningham, was formed to review, score, and rank the RFP's for a recommendation to the Board, and approval thereof. Vice-Chair went over the specifics of the selection criteria and announced to the Board that Grace Hebert and Luster had received the two (2) highest scores. She also advised the Board that the Legal Committee was advising acceptance of the RFP submitted by Grace Hebert.

On a motion by Vice-Chair Jones and seconded by Commissioner Larry Broussard, the Board approved the RFP submitted by Grace Hebert and selected Grace Hebert as the Katrina Cottages Construction Manager. There being no further discussions or oppositions, the matter was unanimously adopted accordingly.

There was next a discussion on the need to select an Architect and Site Planner for the Katrina Cottages Project. It was noted by Keith Cunningham that the documents regarding the matter was still pending and not available for the Board to review.

Vice-Chair Jones requested that it be noted in the record that the Agency has requested a draft contract for review to no avail. Thereafter, Commissioner Broussard requested clarification as to the delay in submission of a draft contract and also expressed his desire that the process be expedited. Vice-Chair Jones concurred, but also noted she wanted a thorough review to be done to ensure the contract was sufficient.

HUMAN RESOURCES COMMITTEE

Commissioner Dr. Brown began the discussion by advising the Board that the Agency has received 28 applications for the vacant LHFA Vice-President position. He advised the Board that a review committee would be formed to start the selection process thereof.

Last item discussed under the Human Resources Committee was the need for an Amendment to the LHFA President's Contract so as to resolve the pending technical issues that evolved from the August 22, 2007 agreement by the Board to extend the President's Contract for an additional three (3) years.

Chairman Woods read the pending Resolution and thereafter gave a brief synopsis on the need for the Amendment noting the issues was strictly a technicality.

On a motion by Commissioner Lisa Woodruff-White and seconded by Commissioner Dr. Adell Brown, Jr., the resolution clarifying the August 22nd Motion regarding the employment of current President, Milton J. Bailey, stating affirmatively that the Board intended to engage Milton J. Bailey for a new three-year term at his current salary, along with the provision for annual reviews with associated pay adjustments based on meritorious service, granting a new three-year Employment Agreement for Milton J. Bailey as President of the Agency, and authorizing Agency staff and/or counsel to prepare any documents in furtherance of this resolution, was adopted, with an amendment from Commissioner Lisa Woodruff-White to the resolution to reflect that the three-year term of the contract is to commence effective August 22, 2007. There being no further discussions or oppositions, the matter was unanimously adopted accordingly.

OTHER BUSINESS

Last item discussed at the Board Meeting was the Amos Project, introduced to the Board by Louis Russell and Brenda Evans. Mr. Russell advised the Board that the Amos Project needed a 30-day carryover extension until December 10, 2007, and that the LHFA staff recommended the Board consider approval thereof.

On a motion of Commissioner Larry Broussard and seconded by Commissioner Merriell Lawson, the Rules were suspended to add to the Agenda the Amos Project matter. There being no opposition, the item was accepted and opened for discussion by the Board.

On a motion by Commissioner Larry Broussard and seconded by Vice-Chair Jones, the Board approved the request for a 30-day carryover extension until December 10, 2007, for the Amos Project matter, with a qualification by Vice-Chair Jones that developers should be discouraged in the future to submit late requests to the Board that have not been properly reviewed. Chairman Woods and Commissioner Mark Madderra also concurred with Vice-Chair Jones directing the staff to ensure that matters are reviewed by the appropriate Committee before presenting to the Full Board for approval. There being no further discussions, the matter was adopted accordingly. The only NO vote came from Commissioner Guy Williams

ADJOURNMENT

There being no other matters to discuss, Vice-Chair Allison Jones offered a motion for adjournment that was seconded by Commissioner Dr. Adell Brown, Jr. There being no further discussions or oppositions, the matter was unanimously passed. **The Full Board meeting adjourned at 1:29PM.**

Chairman

Secretary