

**Louisiana Housing Finance Agency
SPECIAL Full Board Meeting Minutes
Monday, October 29, 2007
2415 Quail Drive
V. Jean Butler Board Room
Baton Rouge, LA 70808
10:00 A.M.**

Commissioners Present

Wayne E. Woods
Allison A. Jones
John Kennedy (and Alice Washington)
Bob Austin
Mark Madderra
Kevin J. Brown
Lisa Woodruff-White
Larry J. Broussard

Commissioners Absent

Dr. Adell Brown, Jr.
Merriell F. Lawson
Danette O'Neal
Carolyn Burris
Guy T. Williams

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 10:25 AM. 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.

CHAIRMAN'S REPORT

Chairman Wayne Woods began the Special BOC Meeting by thanking the Board, LHFA Staff, the development community, and others for coming and supporting the Agency's partnership endeavors and mission goals for providing affordable housing for Louisiana citizens. He also noted that since the majority of the guests in attendance were there for the Returned Tax Credits matter, that the Katrina Cottages matter be discussed first because it could be dispensed of quickly.

PRESIDENT'S REPORT

N/A

KATRINA COTTAGES UPDATE

First item for discussion was the Katrina Cottages matter. LHFA Staff Attorney Keith Cunningham began by requesting the Board's approval of a Resolution selecting Luster National Inc. as the Construction Manager for the Katrina Cottages Alternative Housing Pilot Program (KCAHPP). He thereafter read the Resolution to the Board and gave them a brief analysis of the Resolution and the effect thereof.

Vice-Chair Jones inquired as to whether any Luster National Inc. representatives were in attendance. Mr. Cunningham noted Luster was unable to attend, and that they had been informed of the Board Meeting. Vice-Chair Jones thereafter commended Luster National for all their advocacy efforts towards the KCAHPP.

Commissioner Kennedy inquired as to the process utilized in the selection of Luster National Inc. Mr. Cunningham responded that the specifics were not available, as the selection was done by former LHFA Vice-President James Gilmore. LHFA President Milton Bailey thereafter gave a brief synopsis of the selection process in so far as he was involved in the matter.

Commissioner Kennedy furthered inquiring as to why the selection process had not been RFP'd. President Bailey noted that the selection of Luster National was done in conjunction with FEMA funding, therefore no RFP was issued.

Vice-Chair Jones stressed to the Board her opposition to any changes in the current phases of the KCAHPP and in particular as it applied to Luster's selection and/or involvement in the project.

Commissioner Kennedy inquired as to the company history and background of Luster, if there were any known Louisiana connections to the company, and who the company officers were. Mr. Cunningham and Mr. Bailey responded briefly to Commissioner Kennedy's inquiries.

Chairman Woods thereafter noted that he recalled in previous discussions that 3 or 4 companies had actually been contacted but did not recall the actual selection process history that involved Luster. He also advised the Board that he was satisfied with the responses in so far as Luster was concerned.

Commissioner Kennedy furthered inquired as to whether OCD or LRA have been involved in the selection of Luster, if there were any payment schedule parameters, and if any items had been paid. He also asked why there was no Louisiana construction management companies solicited and/or selected.

Mr. Cunningham noted that Luster had been paid for all invoices to date that had been sent to the Agency, based on the scope of work and identified goals thereof in the amount of \$93K, with a budget not to exceed \$959K.

Mr. Cunningham replied that former LHFA Vice President had originally orchestrated the selection of Luster and he had not been privy to how Mr. Gilmore had selected Luster, but believed that James had not acted solely and without Board approval or knowledge.

Commissioner Kennedy again inquired as to why no Louisiana-based companies were included in the selection options. He thereafter expressed the need to consider doing an RFP that would allow any Louisiana-based company that was qualified a chance to be involved in the project.

Commissioner Austin noted that he recalled the selection was hastily done but via alleged political pressures (inaudible). He also noted that four (4) companies had been researched initially; he also advised the Board that he opposed any changes to the flow of the current process that would cause a delay (inaudible).

Commissioner Broussard inquired as to whether the current \$93K that had been paid to Luster was duly justified; he also inquired as to why a Louisiana-based company was not chosen. Mr.

Bailey replied that the \$93K was justified. Commissioner Broussard furthered inquiring as to how the \$900K+ budgeted amount for the project was determined. Mr. Bailey noted that the amount was determined by industry standards, best practices, and via FEMA discussions based on similar projects. Commissioner Broussard also inquired as to what the delay ramifications would be to the project if alternate options were to be explored and implemented.

Vice-Chair Jones stressed that she was not conducive to any delays in the process this late in the project progression.

Commissioner Kennedy noted that he was accepting of the use of Luster to help negotiate the project contract but has some opposition to their continued use and also with the \$900K budget. He thereafter suggested to the Board that a expedited competitive RFP be facilitated in the matter. He also stressed his desire that a Louisiana-based company be utilized and expressed his concern that Luster had not optioned to be present at the Board Meeting to discuss the matter before the Board.

Chairman Woods advised the Board that the selection had been done in March 2007 and that he was confident in the selection process thereof; he also recalled that the Board had decided that all payment requests from Luster must be pre-invoiced; he also noted that Luster was a minority-owned firm. He also noted that he would like to see the continued progression of the project and was receptive to doing a RFP if it could be processed by the November 14, 2007 Board meeting. He suggested to the Board they consider extending the current Luster contract along with the speedy processing of a RFP, with recommendations thereof to be presented at the next Board meeting.

On a motion by Commissioner John Kennedy and seconded by Commissioner Larry Broussard, it was proposed that the Board direct the LHFA staff to process a RFP to solicit companies that might be interested in performing services as a Construction Manager for the Katrina Cottages AHPP, and that the recommendations thereof be presented at the November 14, 2007 Board Meeting, and that the current Luster contract be extended to facilitate the issuance of the RFP.

Vice-Chair Jones advised the Board that she was in concurrence that an RFP was necessary, but only if it could be completed by the November 14, 2007 Board meeting. Commissioner Kennedy noted that he did not believe an RFP could be processed properly in 14 days.

Keith Cunningham reminded the Board that the Resolution he had prepared and presented to the Board was simply to select a Construction Manager.

Commissioner Broussard inquired as to whether there would be a significant delay in the project's progression if Luster is not selected after the RFP's are submitted. Mr. Cunningham noted he was not sure of the delay ramifications if an RFP is initiated and finalized.

Thereafter, Commissioner Austin advised the Board that any delays would be a catalyst for bad publicity in the media for the AHPP; that Luster was hired to negotiate the contract with Cypress; that Luster had successfully reduced some of the original contract costs with Cypress; and that he vehemently opposed any delays in the matter (inaudible).

On a substitute motion by Commissioner Robert Austin, he requested that the Board adopt the contract with Luster National Inc. to perform services as a Construction Manager for the Katrina Cottages Alternative Housing Pilot Program (AHPP). Commissioner Austin's motion died as no one seconded his motion, nor were there any YEA votes thereof.

On a motion by Vice-Chair Jones and seconded by Commissioner Kennedy, the original motion by Commissioner Kennedy was amended. Accordingly, it was proposed that the Board direct the LHFA staff to process a RFP to solicit companies that might be interested in performing services as a Construction Manager for the Katrina Cottages AHPP. Also this motion extends the current Luster contract for negotiations that are already in progress. And, the RFP must be sent out and completed by November 14, 2007. There being no further discussions or oppositions, the matter was unanimously passed.

Next item was the Resolution authorizing the Agency to enter in a Cooperative Endeavor Agreement for Louisiana National Guard's Jackson Barracks.

Chairman Woods inquired as to the differences between the Resolution currently before the Board and the one adopted at the previous Board meeting. Mr. Cunningham replied noting that the previous meeting's Resolution was to approve a site; the current Resolution is authorizing the Agency to enter into an agreement with owners of the site so as to move forward with the construction thereof.

Commissioner Kennedy inquired as to the historical background of the Jackson Barracks' site and who the ultimate tenants would be comprised of. Thereafter, Major General Hunt Downer made a lengthy presentation to the Board detailing the history, geography, security, and logistical parameters encompassing the site. He also advised the Board that the military was given permissive exclusivity rights by FEMA via a memorandum in September 2005 for projects post-Katrina to house public entity employees that were deemed necessary in the recovery efforts. Additionally, MG Downer noted that his facility has been designated as a model for alternative housing and that he was eager to move forward with the project.

Commissioner Kennedy inquired as to whether there had been prior discussions between MG Downer and the Governor's Office or LRA or any other entity as to the exclusivity parameters in the project. MG Downer responded affirmatively.

Commissioner Austin inquired as to whether the military's exclusivity designation was approved by FEMA (inaudible). Mr. Cunningham responded affirmatively. Additionally, Chairman Woods noted that Jackson Barracks was a catalyst for the redevelopment of the Lower Ninth Ward area.

MG Downer noted that Jackson Barracks pre-Katrina had a \$110M economic impact and employed 700+. He also informed the Board that many of the employees had a strong desire to return to the area but cannot due to the lack of housing. He also noted that the site had completed its NEPA analysis and that he was confident that Jackson Barracks would be a catalyst for the needed rebirth of the area.

Thereafter, Commissioner Kennedy inquired as to whether the Governor's Office was okay with the exclusivity rights asserted by Jackson Barracks. Mr. Calvin Parke with OCD noted that his office (Office of Community Development) had not been involved in the discussion, but that he was aware that the (Louisiana Recovery Authority) LRA had been involved in matter. Accordingly, LRA representative Mr. Will Jacobs addressed the Board, responding that since the project did not involve block grants his office was not involved; he did note that LRA was in full support of the Jackson Barracks proposal and the endeavors of the project thereof. Mr. Jacobs also confirmed that the Governor's Office was accepting of the exclusivity rights assertions,

Chairman Woods took a moment to acknowledge Senator Ann Duplessis who was in the audience.

Commissioner Lisa Woodruff-White inquired about the exclusivity approval by FEMA; she also wanted to know why the language of the Resolution "orders and directs" the Agency to administer the AHPP.

Commissioner Mark Madderra also noted the need for clarification in so far as to the past, current, and future logistical use of Jackson Barracks, in particular its long term housing usage.

General Downer responded briefly, noting that the area is great for housing and will also incorporate the use of "green space" aesthetics.

Chairman Woods requested that the record reflect the arrival of Commissioner Lisa Woodruff-White, who entered the Board Room at or around 10:35AM.

On a motion by Commissioner Larry Broussard and seconded by Vice-Chair Allison A. Jones, the Board approved the Resolution authorizing the Agency to enter into a Cooperative Endeavor Agreement with the State Military Department for the construction of housing at their headquarters, Jackson Barracks, as part of the Alternative Housing Pilot Program (AHPP). There being no further discussions or oppositions, the matter was unanimously passed.

Next item for discussion was the matter involving the Board consideration and approval of the Cypress Construction Contract with Shaw.

It was also noted by Chairman Woods and Mr. Cunningham that there was no actual text Resolution being presented to the Board.

Vice-Chair Jones began the discussion inquiring as why the Board had only moments earlier been given the contract for review. She also asked Jeff Jenkins and Scott Kirkpatrick of Cypress for clarification as to why the Board should approve such a non-negotiated contract; that she has several concerns with and how the Agency interacts with Cypress; and she stressed that if the contract was to get her support she would require the contract be subject to the Legal Committee, Board Chairman, and Vice Chair's approval along with staff recommendations presented thereof first.

On a motion by Vice-Chair Allison Jones and seconded by Commissioner Robert Austin the Board approved the Cypress Construction Contract with Shaw, noting that the contract is subject to the recommendations of the LHFA staff, with review and approval thereafter of the Board Chairman and Vice-Chair. There being no further discussions or oppositions, the matter was unanimously passed.

MULTIFAMILY COMMITTEE REPORT

Chairman Woods forwarded the floor to LHFA Administrator Brenda Evans who advised the Board there had been an error in the tabulations of some of the scoring previously, and staff was directed to go back and review and rescore all of the applications thereafter. Accordingly, a new Awards List was created.

There were some further discussions between the Board and Ms. Evans regarding what had been added and/or deleted from the previous rankings and the one currently before the Board. Vice-Chair Jones inquired as to if the development community had been informed of 2007/2008 Tax Credit Awards List and the LIHTC Per Capita Final Ranking List. Ms. Evans responded that the development community had been sent emails of the lists on the afternoon of Friday, October 26, 2007, and that no additional comments and/or challenges had been received.

There was thereafter a brief discussion between the Board and Ms. Robin Wagner from the Office of the Secretary with the Department of Health and Hospitals, who noted there were Block Grants Funds for up to 3,000 permanent supportive housing units. Calvin Parker from OCD thereafter gave a brief synopsis of the funding and allocation procedures for the Block Grants Funds. Ms. Wagner also noted for the Board that the DHH was not solely looking at funding via CBDG but was also looking at Medicaid funding sources thru waiver services for permanent supportive housing initiatives.

On a motion by Vice-Chair Jones and seconded by Commissioner Mark Madderra, the resolution providing the reservation of the Calendar Years 2007 and 2008 Per Capita Credit Ceiling LIHTC credits to certain residential rental facilities; authorizing the Agency staff and counsel to prepare the forms of such documents and agreements as may be necessary to allocate LIHTC credits to such facilities; and providing for other matters in

connection therewith, was adopted, with the Exception that the foregoing Resolution supersedes any previous Board approved Resolutions on the referenced matter. There being no further discussions or oppositions, the matter was unanimously passed.

Second item discussed was the waiver of TDC limits for 750 Jeff Davis. Chairman advised the Board that the Czar's had discussed the matter but felt it was outside of their jurisdiction, and therefore the matter was being presented to the Board. Ms. Evans noted that the site was still pending F&V analysis.

On a motion by Commissioner John Kennedy and seconded by Commissioner Mark Madderra, the Board approved the waiver of TDC (total development costs) Limits for 750 Jeff Davis; and providing for other matters in connection therewith, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

On a motion by Commissioner Mark Madderra and seconded by Vice-Chair Allison A. Jones, the Board approved additional credits for (i) Timberlane Apts #07/08(FA)-01, (ii) 750 Jeff Davis #07/08(FA)-09, and (iii) The Meadows #07/08(FA)-37; and providing for other matters in connection therewith, was adopted. There being no further discussions or oppositions, the matter was unanimously adopted.

On a motion by Vice-Chair Allison A. Jones and seconded by Commissioner Mark Madderra, the Board approved 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") for Oak Villa #07/08(FA)-49, Timberlane Apts #07/08(FA)-01, 750 Jeff Davis #07/08(FA)-09, and The Meadows #07/08(FA)-37; and providing for other matters in connection therewith from October 30, 2007 until November 14, 2007, was adopted. There being no further discussions or oppositions, the matter was unanimously adopted.

Chairman Woods introduced the Reallocation of Returned/Recaptured Credits as the next discussion. There was the distribution of a document from Thomas G. Vaccaro with the NHP Foundation requesting Board consideration for projects currently under construction become eligible for additional credits to cover unforeseen construction costs. He advised the Board in order for the NHPF to close a \$2.1M budget gap created by the additional costs to their Forest Park Apartments Project, that an additional \$200K of tax credits was being requested in order to resolve the pending plumbing repair problems at the site. There were also various discussions between the Board and Mr. Vaccaro's associate, who did not identify himself for the record.

Vice-Chair Jones inquired as to what the anticipated completion date on the project was. Mr. Vaccaro replied that the project was perhaps 40% complete. Commissioner Austin asked him what their previous ranking was. Mr. Vaccaro replied 495.

Commissioner Madderra expressed his concern of why the Agency was needed to facilitate rehab projects after tax credits have already been awarded and construction is on way.

Commissioner Broussard replied that the Agency in the past has approved additional credits on a case-by-case basis in similar requests.

Next speaker was Martha Kegel from Louisiana Supportive Housing Coalition UNITY of Greater New Orleans. She distributed a document expressing the views of the group on the Reallocation of GO Zone Tax Credits (see file copy). She requested a meeting with the LHFA to begin discussion on how to get more non-profits some assistance and/or alternative options in meeting UNITY's goal of building 3000 housing units. Also providing some pointers in the presentation was Lucinda Flowers, also from UNITY. President Bailey noted that a meeting would be set up between the Agency and UNITY in the coming weeks.

Senator Duplessis next addressed the Board and thanked the Agency for its good work and requested that the Board continue its progress in trying to provide affordable housing for the citizenry of Louisiana, in particular the Agency's past tax credit projects. Also present with Senator Duplessis was Mary Tran who briefed the Board on her groups pending projects; noting they have 300 people on a waiting list for an upcoming dwelling that would be located on a convenient bus stop for the tenants in the areas. Commissioner Madderra asked Ms. Tran if there would be need for future additional tax credits. Ms. Tran replied that she was not sure as Providence was the project's developer. After conferring with Attorney Kelly Longwell who was also present, Ms. Tran replied that the project would not need additional tax credits. Senator Duplessis thereafter expressed her support of Ms. Tran's project and asked for the Board full support likewise.

Next speaker was Shamus Rohn, who gave an emotional story about a 51 year old paraplegic he recently encountered who was homeless and living under a highway.

Next speaker was Paula Pete with Family Resources of New Orleans. She was followed by an unidentified man who did not introduce himself for the record.

V. Ray Rose was the next speaker; he requested the need for more single family reallocations. Mark Turrentine of Standard Enterprises noted to the Board there was no waiting list round of allocations in the process

Victor Smeltz suggested that tax credits should be maximized by the introduction of new projects.

Archie Jones advised the Board that he'd like to see credits for areas that are underserved and are new to the program. And, that there was a need for equalization between the Agency and the development community.

Also presenting comments was Gia Jourdan.

Commissioner Mark Madderra also read a letter into the record from Pres Kabacoff (see file copy).

There being no further guests wishing to speak, Chairman Woods thanked everyone for their participation in the process.

LHFA staff member Louis Russell noted that there were approximately \$5M of LIHTC awarded.

Vice-Chair Jones noted that the Resolution as presented did not indicate that all of the six (6) criteria listed had to be met in total; also she inquired as to how item #3 that dealt with zoning issues was ultimately verified by the Agency. Mr. Russell replied affirmatively that all six (6) items had to be met. Ms. Evans noted that the developers must provide the Agency with zoning approval evidenced from their respective Zoning Commission.

Commissioner Broussard inquired as to item #1 which noted that no deals scoring less than 500 points would be considered.

Thereafter, Commissioner Kennedy questioned if there were any new project that would better candidates than those currently seeking extra fundings. Commissioner Madderra replied with his concern as to whether a competitive round could timely be created to meet Mr. Kennedy's request.

On a motion by Vice-Chair Allison Jones and seconded by Commissioner Larry Broussard, the resolution providing for the redistribution of returned and recaptured GO-Zone 2007/2008 LIHTC credits to certain residential rental facilities; authorizing the Agency staff and counsel to prepare the forms of such documents and agreements as may be necessary to allocate LIHTC credits to such facilities; and providing for other matters in connection therewith, was adopted.

Commissioner Kennedy inquired as to the selection criteria of the projects; he also inquired as to the geographic gaps in allocations, in particular as it relates to St. Tammany and St. Bernard parishes. Ms. Evans advised him that the Agency had not received any application from St. Bernard Parish.

On a motion by Commissioner Mark Madderra and seconded by Commissioner Robert Austin, the previous motion was amended to reflect that submitted projects must meet the criteria as specified in items 1 – 6, and awards would be in rank order based on 2007 project lists.

On a motion by Commissioner Lisa Woodruff-White and seconded by Vice-Chair Jones, the foregoing motion was amended to remove the language "...has been ordered and directed" to "authorized"; and providing for other matters in connection therewith, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Thereafter, Commissioner Kennedy requested the Agency perform an analysis of the perceived geographical gaps in the process, with recommendations thereof.

ADJOURNMENT

There being no other matters to discuss, Vice-Chair Allison Jones offered a motion for adjournment that was seconded by Commissioner Robert Austin. There being no further discussions or oppositions, the matter was unanimously passed. **The Full Board meeting adjourned at 1:10PM.**

Chairman

Secretary

DRAFT