

DRAFT

**Full Board Meeting Minutes
Wednesday, March 12, 2008
2415 Quail Drive
V. Jean Butler Board Room
Baton Rouge, LA 70808
11:30 A.M.**

Commissioners Present

Wayne E. Woods
Allison A. Jones
John Kennedy
Bob Austin
Danette O'Neal
Merriell F. Lawson
Lisa Woodruff-White
Larry J. Broussard

Commissioners Absent

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

Legal Counsel Present

Wayne Neveu, Foley & Judell
Keith Cunningham
Christine Bratkowski
Leslie Strahan

Staff Present

Milton J. Bailey
Barry E. Brooks
Louis Russell
Annie Robinson
J C Caesar
Brenda Evans
Jeff DeGraff
Mary Antoon
Jason St. Romain
Jatis Harrington
Loretta Wallace

Collette Mathis
Yvonne Mathis
Dione Milton
Patricia Hampton
Amy York

Others Present

See Sign-In Sheet Attachment

Chairman Woods called the meeting to order at 11:45 AM. Barry Brooks did the roll call, and thereafter a quorum was established. Next there was an introduction of guests in the audience. See attached Sign-In Sheet.

Commissioner Lisa Woodruff-White requested revisions to the February 13, 2008 Full Board Minutes be done on page 8 of 15 referencing the HUD DHAP in two sentences on the page.

On a motion by Vice-Chair Allison Jones and seconded by Commissioner Merriell Lawson, the minutes of the February 13, 2008, 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 advising the Board that the FEMA AHPP matter had been transferred to the Louisiana Recovery Authority for future handling; and that he fully supports the change and was looking forward to working with the LRA for a smooth transition thereof.

Chairman Woods then gave a very moving and emotional rhetorical on a recent Times-Picayune editorial wherein it was suggested that an apology should be given to the Katrina displaced residents for the alleged delays in completion of the AHPP and placement of Katrina Cottages.

He noted that for the record, the LHFA has been instrumental in the production of 26,000 units since the storms. And, in comparison the AHPP was estimated to only produce 556 units of housing.

Chairman Woods also voiced his outrage at the Times-Picayune's suggestion that an apology be issued. He reiterated the tireless hours that are exerted by each member in serving on Boards in Louisiana, oftentimes at the detriment of their wives, children, and own livelihood.

There was a thunderous standing ovation in support of Chairman Woods' stance towards the Times-Picayune editorial.

Chairman Woods continued, updating all on the recent successful trip to Washington DC for meetings with various Congressional Delegates, as well as visits with HUD and FEMA representatives.

He noted that Senator David Vitter's bill SB 1668 was still being discussed with technical amendments thereof. Also, that the meeting with HUD dealt with the Gaslight and New Orleans East Apartments properties, and how they could help with the transitioning of residents from trailers.

Chairman Woods concluded by thanking Milton Bailey for his orchestration of the Washington DC trip and all the work done in preparing the Congressional Briefing Packets; thanking Commissioner Lisa Woodruff-White for her handling of the HUD meeting; and thanks to the other Board Members who were able to attend and participate in the meetings thereof.

Vice-Chair Allison Jones wanted to echo her sentiments of Chairman Woods with respect to what the Board has accomplished and efforts exerted towards the AHPP. She requested that LHFA staff prepare a synopsis of tasks accomplished on the AHPP to be included in the Final Report to be sent to the LRA during the transition phase.

PRESIDENT'S REPORT

Milton Bailey began by echoing the remarks of the Chair, noting the Agency had indeed worked very hard with respect to the AHPP. He acknowledged Vice-Chair Jones' request to pull document the efforts of the Agency while working on the AHPP.

He requested a deferment on giving a report on the recent Washington DC trip until the April Board meeting, due to on-going legislations and discussions thereof.

President Bailey next introduced Adam Knapp, Deputy Director of the Louisiana Recovery Authority.

Adam Knapp expressed his support for Chairman Wood's previous statements and he also applauded the Board for their commitment to the LHFA and the State. He continued by noting the similarities between the LHFA and the LRA Boards, echoing and noting the sacrifices of all in their duties at the expense of their immediate families.

Mr. Knapp noted the great working relationship of both the LHFA and LRA; and he pledged a continuing of shared goals and partnerships thereof. He advised the Board that he was aware of the strong budget, professional staff, and superb site selection parameters that the LHFA had incorporated into the AHPP, and that the LRA would continue with the good efforts thereof.

Mr. Knapp continued, noting that his two main objectives were first to get housing in place were funded; and second is the program objectives from FEMA to actually pilot an alternative for

what the federal government would look to after a disaster. He noted that the LRA will continue to need LHFA for project management and other various housing issues.

Adam Knapp advised the Board that the LRA needs official approval from FEMA and legislative approval to finalize the transfer in order to be able to manage the budget, and to begin to make payments from the grant. To accomplish this, he was trying to get on the March Agenda of the Joint Budget Committee to coordinate the transfer of the AHPP from LHFA to LRA, which would actually require a special authorization from the Commissioner.

Mr. Knapp concluded by thanking the Board for the invitation to Washington DC and that he was very proud to have been apart of the group effort to enlist support for affordable housing and the urgency of transitioning families to permanent sustainable housing.

Chairman Woods thanked Mr. Knapp, also noting the need to terminate any current contracts within the next thirty (30) days – no later than April 18th, 2008, to ensure no stoppages or delays of the current project schedules and work thereof being performed. Chairman Woods also stressed clarification that there will not be any requests for LHFA funds in payment for any of the AHPP expenditures.

Commissioner Robert Austin inquired as to whether the same AHPP budget parameters will be in effect for LRA. Mr. Knapp replied that he was unsure of all of the budgetary specifics, but would work towards a continuity of the budget, site selection parameters, objectives, etc., as transferred from LHFA.

Vice-Chair Allison Jones requested that double-signature lines be included on all documents and agreements to ensure a smooth transition.

Mr. Knapp assured the Board that the goal of the AHPP was still to produce 556 units.

Commissioner Larry Broussard requested that the maximum amount of units be produced; and that he would like Vermillion Parish, in particular Delcambre and Pecan Island, to be included in the site selection options.

Mr. Knapp responded that the Lake Charles site was still moving forward, that Cameron Parish has suggested five site possibilities, and that Vermillion Parish had in fact been looked at as a potential site choice. Additionally, Calcasieu, Plaquemines, St Tammany, and Orleans Parishes were also in the running as site choices. He concluded by advising the Board that the site choices were due to FEMA on Monday March 17, 2008.

Chairman Woods advised the Board that they needed to approve a Resolution to recognize that Governor Jindal has requested transfer of the AHPP from the LHFA to the LRA. He continued by reading the specifics of the Resolution to the Board.

On a motion by Vice-Chair Allison Jones and seconded by Commissioner Robert Austin the resolution authorizing the staff of the Louisiana Housing Finance Agency (“LHFA”) to cancel all contracts, agreements, provisions, and partnerships created, that were authorized and implemented in connection with the Alternative Housing Pilot Program effective March 24, 2008; and providing for other matters in connection with the foregoing, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

MULTIFAMILY RENTAL HOUSING COMMITTEE REPORT

Chairman Wayne Woods noted that the Multifamily Committee had not met earlier, and that the first item on the Agenda was the Arbor Place Apartments Project. Thereafter, Loretta Wallace summarized the resolution, noting it was a 136-unit facility located in Jefferson Parish. She also advised the Board that the resolution was deferred to the Legal Committee at the February 13th BOC Meeting, and had since been to the Bond Commission, and that staff was recommending approval of the resolution.

On a motion by Commissioner Larry Broussard and seconded by Vice-Chair Allison Jones, the resolution accepting the proposal of Merchant Capital, L.L.C., for the purchase of not exceeding Eight Million Nine Hundred Forty Thousand Dollars (\$8,940,000) Louisiana Housing Finance Agency Multifamily Housing Revenue Bonds (Arbor Place Apartments Project, located at 735 Heritage Avenue, Terrytown, Jefferson Parish, Louisiana) 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 to be discussed was the \$11M LHFA MHRB proposal by RBC Capital Markets for the Cypress Apartments Projects matter. Ms. Wallace advised the Board that it was a 276-unit facility, and that staff as recommending approval of the resolution.

On a motion by Commissioner Robert Austin and seconded by Vice-Chair Allison Jones, the resolution accepting the proposal of RBC Capital Markets for the purchase of not exceeding Eleven Million Dollars (\$11,000,000) Louisiana Housing Finance Agency Multifamily Housing Revenue Bonds (Cypress Apartments Project, located at 4249 5th Avenue South, Lake Charles, Calcasieu Parish, Louisiana) 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.

Chairman Woods advised the Board that the resolutions being presented to the Board had been reviewed by Multifamily Committee Chairman Mark Madderra and that in his absence he advised and recommended their approvals thereof.

Next item to be discussed was a resolution regarding a waiver request of garbage disposals for The Terraces located at 3615 Tulane Avenue, New Orleans, Orleans Parish, Louisiana. Chairman Woods advised the Board that the request was similar to previous ones approved by the Board, and the request was due to new requirements by the City of New Orleans.

Commissioner Woodruff-White inquired as to whether the issue has been previously presented to the Board. Louis Russell noted that the matter was actually the same item that the Board has previously denied, but subsequently thereafter has asked the developer to resend to the Board for reconsideration and approval thereof.

Commissioner Woodruff-White requested that the resolution be noted as such for clarification.

On a motion by Vice-Chair Allison Jones and seconded by Commissioner Merriell Lawson, the resolution accepting the waiver request of garbage disposals for The Terraces located at 3615 Tulane Avenue, New Orleans, Orleans Parish, Louisiana; due to the City of New Orleans requirements of a separate line for disposals; authorizing the LHFA staff and counsel to prepare the forms of such documents and agreements as may be necessary; 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 was the resolution for Arbor Place Apartments to allocate 4% Low Income Housing Tax Credits. Louis Russell noted that the matter had been reviewed by staff, and they were recommending approval of the credits requested.

On a motion by Commissioner Larry Broussard and seconded by Commissioner Danette O'Neal, the resolution establishing the maximum qualified basis and low-income housing credits to Arbor Place Apartments located at 735 Heritage Avenue, Terrytown, Jefferson Parish, Louisiana; authorizing the LHFA staff and counsel to prepared the forms of such documents and agreements as may be necessary to allocate 4% LIHTC to such facilities; 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 to be discussed was the CJ Peete I and III resolution approving design features request. Milton Bailey advised the Board that the matter would be DEFERRED until the April 9, 2008, Board Meeting, per a request from HANO. He did request that Judith Moran from HANO address the Board and give an update on their projects.

Judith thanked the Board for deferring the CJ Peete matters. She advised the Board that their projects were moving along at HANO, noting also that the master development agreements for Lafitte, CW Cooper, St. Bernard, and possibly CJ Peete, would be signed later in the afternoon. That all projects were moving along with demolition, except for Lafitte which was still pending the city demolition permit. That they were moving along with issues dealing with rehabilitation and restoration of historic properties, and that all other projects were on schedule also.

Chairman Woods inquired as to HUD and HANO home ownership programs. Ms. Moran noted that HANO has asked the Big 4 developers to include home ownership aspects in their project parameters. She also noted that HANO was having their 100th homeownership closing celebration

on Tuesday March 18th. She advised the Board that HANO was proud of their leadership role in the promotion of alternate projects and of their homeownership programs.

President Bailey offered the LHFA staff and resources to assist HANO in any of their endeavors.

Commissioner Lisa Woodruff-White inquired as to when they anticipated reopening their doors. Mr. Dwayne Mohammed noted that they were in the process of finalizing a purging of their pre-disaster wait list, and anticipated completion by April 30th. Also, their funding allocations are due the upcoming week.

Mr. Bailey advised the Board that he had spoken with Mayor Nagin who noted he was waiting on the final development plan and had no objections to approving HANO's demolition permit requests. Ms. Moran noted that the plan would be delivered to the Mayor by 4:00pm.

SINGLE FAMILY COMMITTEE REPORT

Commissioner Bob Austin advised the Board that the updated on the 2007 Program, A, B, and C, and the 2006D Issues and the Whole Loan Report were in the Board binders. He continued, noting that the Committee was recommending an adjustment of 6.3% with assistance to all the aforementioned items.

Brenda Evans noted that at their meeting they discussed three separate issues currently outstanding – the 07A issue, the 07B issue, and the 07C issue. She advised the Board that in the 07A issue there was approximately \$8M that was still outstanding to be originated. And, she concurred with Commissioner Austin that all of the outstanding balances need to be adjusted to 6.3%. That the adjustments would provide additional income to the Agency because of the increase in the investor fee, while at the same time providing 4% assistance on the outstanding fund. It would be a net benefit to the Agency and provide \$136,000 and all the rest will be at 6.3%

Ms. Evans continued, noting that on the 07B issues there was remaining about \$2.6M in low rate funds, they likewise would be adjusted to 6.3% providing 4% assistance. This would provide a net cost to the Agency of \$25K.

Ms. Evans continued, noting that on the 07C issues there was remaining about \$13M and currently the rate was 5.95%. She noted that the Finance Team has suggested the rate remain at 5.9% in order to remain competitive.

Commissioner Austin concurred on Ms. Evans' calculations presented thereof.

Chairman Woods inquired further on the current rates and why there was still money remaining in the balances. Commissioner Austin replied that the interest was very volatile and that the Agency rates were no longer competitive.

There were additional discussions on market rates, costs, and the analyses thereof.

Chairman Woods inquired as to whether the current budget needed to be revised. Brenda Evans replied that two (2) resolutions would need to be presented to the Board for approval thereof.

President Bailey suggested that the matters be deferred until the April Board Meeting. Vice-Chair Jones requested that the matters be handled at the current Board Meeting. Mr. Bailey thereafter concurred.

On a motion by Commissioner Bob Austin and seconded by Vice-Chair Jones, it was resolved that the 2007A and 2007B Programs, both in the low rate and the assisted money left over in both programs, that the interest rates be changed up or down as necessary to a 6.3%, and that a four point assistance be provided thereof, was adopted; and providing for other matters in connection with the foregoing, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

On a motion by Commissioner Bob Austin and seconded by Commissioner Danette O'Neal, it was resolved by the Board to amend the budget to not exceed \$310K in costs that are associated with the 2007A and 2007B Program changes thereof; and providing for other matters in connection with the foregoing, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Last item to be discussed by Commissioner Austin was the Whole Loan Report aspect and the need to roll the program into the next issue. He advised the Board that the matter would be discussed at the April Board meeting.

Commissioner Danette O'Neal advised the Board that the 4% amount was inconsistent with industry practices, and that she includes such cost in her own projects. Therefore, she requested the need of future analysis on getting low to mid incomers the ability to become homeowners.

Chairman Woods requested the Agency Public Relations team put notices out on Board actions so that the public can become better informed of the programs and to participate therein.

Ms. Evans advised that the CDBG funds requested during the recent Washington DC trip might be useful funding sources for the aforementioned programs.

ENERGY ASSISTANCE COMMITTEE

Chairman Woods informed the Board that updates to the LIHEAP, WAP, and Katrina/Rita Crisis Assistance matters were in their binders. He did introduce to the Board Ms. Charlette Minor. Ms. Minor gave a brief bio of herself stating that she was excited to her use her previous housing experience as the new Program Administrator. She noted the use of a new IDIS (Integrated Disbursement and Information System) report to be termed the PR-27. The report of which begins in 1992 to 2007, with 2008 still pending.

Vice-Chair Jones inquired as to the allocation for 2008. Jason St. Romain replied that the amount was a little over \$14M.

Ms. Minor continued informing the Board that \$199M has been committed by LHFA. That 15% of all HUD funds must be reserved for CHDOs. Also, that the Consolidated Plan for 2008 will

be completed and sent to the BOC. That the PR-27 report details expenditures of all funds, in addition to all CHDO allocations and loans. She also advised the Board that she and her staff were working with eight (8) various agencies to disburse funds and that she'd have additional information at the April Board meeting.

There were continued discussions on the various aspects of the PR-27 report.

Chairman Woods stressed that he wanted all available support and assistance be provided to the CHDO's. Ms. Minor advised him that there were no extra HOME funds available currently.

Commissioner O'Neal reminded everyone of the need for Agency staff to promptly and consistently keep the BOC informed of any pertinent issues and matters, and of all trainings and workshops scheduled.

ENERGY ASSISTANCE

Commissioner Lisa Woodruff-White advised the Board that on a recent trip thru Schneider, Texas, she noticed a lot of windmills that provided power to Southern Texas, and inquired as to whether Louisiana was looking at similar sources of energy production, or possible use of tax credits to finance solar, wind, or other resources. Ms. Evans noted that in developing the future QAP perhaps there could be some additional points for energy efficiency projects. Ms. Minor advised that she would explore the matter with the Department of Energy and provide a response to the Board at a later date.

LEGAL

Vice-Chair Jones noted that there had been no Committee meeting due to a lack of quorum and time constraints.

The only resolution item to discuss was the Property Management RFP for the Willowbrook Apartments Project.

Keith Cunningham advised the Board that four(4) proposals had been received and reviewed by himself, Wayne Woods, Special Programs, and Budget and Finance. Based on the groups review of the proposals, they were recommending the selection of National Real Estate Corporation. Selection was being based on NREC's partnership with SUNO to provide various social services and vocational training for the tenants, as well as meeting all of the requirements pre-established by the RFP.

Vice Chair Jones concurred, noting that she was persuaded by the social aspects in the promotion of homeownerships.

On a motion by Vice-Chair Jones and seconded by Commissioner Lisa Woodruff-White, the resolution accepting the proposal of National Real Estate Corporation, and ETI, Inc., d/b/a Willowbrook Management, Inc., and to authorize the President to enter into a contract not to exceed a three (3) year term; and providing for other matters in connection therewith, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Chairman Woods requested an update on leasing of the apartments. Mr. Cunningham advised that he would have the property manager submit said request.

Vice-Chair Jones advised the Board that in their binders was an information packet from the Louisiana Economic Foundation dealing with the devaluation of tax credits. She noted that the matter was of utmost important to developers in closing gaps in their deals.

BUDGET AND FINANCE COMMITTEE REPORT

Chairman Woods advised the Board that the Committee has met earlier and discussed the expenses section of the budget, and they anticipated the adoption of the budget at the April Board meeting.

Mr. Bailey requested to go on record supporting efforts that are underway for a state tax credit. He noted that it appeared to be legislation parallel to what other states were doing to bring equity and viable transactions to the table. Vice-Chair Jones concurred and noted that the Legal Committee would be supported of said legislation and the efforts thereof. Commissioner Lisa Woodruff-White suggested that an informational letter be drafted in support of the legislation and then sent to the Legislature.

ADJOURNMENT

There being no other matters to discuss, Vice-Chair Jones offered a motion for adjournment that was seconded by Commissioner Danette O'Neal. There being no further discussions or oppositions, the matter was unanimously passed. **The Full Board meeting adjourned at 1:07PM.**

Chairman

Secretary