

DRAFT

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

Commissioners Present

Allison Jones
Alice Washington obo John Kennedy
J. Mark Madderra
Guy T. Williams
Maureen Clary
Michael L. Airhart
Joseph Scontrino, III
Katie Anderson
Susan Sonnier

Commissioners Absent

Wayne E. Woods
Robert Pernell
Tyrone A. Wilson
Mayson H. Foster
Walter O. Guillory

Legal Counsel Present

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

Staff Present

Milton J. Bailey
Barry E. Brooks
Brenda Evans
Danny Veals
Loretta Wallace
Darlene Okammor
Eva Martinez
Jeff DeGraff
Demetria Farve

Tracy Roberts
Ricky Patterson
Joseph Durnin
Annie Robinson
Curtis Ferrara
Joyce Jackson
Robert McNeese
Amy York
Calvin Humble
Mary Antoon
Charlette Minor
Alvin Johnson
Tim Gilmore
Rene Landry

Others Present

See Sign-In Sheet Attachment

Vice-Chair Allison Jones called the meeting to order at 12:52 PM. Barry Brooks did the roll call, and thereafter a quorum was established. Next there was an introduction of guests in the audience -- see Sign-In Sheet.

On a motion by Commissioner Joseph M. Scontrino, III, and seconded by Commissioner Katie Anderson, the minutes of the September 24 and the October 15, 2008, Full Board Meeting were approved. There being no further discussions or oppositions, the matter was unanimously passed.

CHAIRMAN'S REPORT

Vice-Chair Allison A. Jones began the meeting by swearing in Susan W. Sonnier as the newest member to the LHFA Board of Commissioners.

Vice-Chair Jones then administered the Oath of Office of Ms. Sonnier.

Ms. Anderson introduced herself as the newly appointed Deputy Secretary for the La. Department of Social Services. She also noted that she was filling the appointment formerly held by Ms. Lisa Woodruff-White. She noted that had a history of serving low-income families and was proud to be a member of the Board.

In order to discuss the most pertinent items first due to time constraints, Vice-Chair requested that the Order of the Agenda be altered to move to Action Items first.

On a motion by Vice-Chair Allison A. Jones and seconded by Commissioner Michael L. Airhart, the Rules were Suspended to facilitate altering the Agenda to move to discussion of Action Items on the Agenda. There being no further discussions or oppositions the matter was unanimously passed.

On a motion by Commissioner Michael L. Airhart and seconded by Commissioner Joseph M. Scontrino, III, the Board agreed to begin their discussions with Item #8 on the Agenda - the Single Family Committee. There being no further discussions or oppositions the matter was unanimously passed.

Commissioner Michael L. Airhart advised the Board that since Brenda Evans was not in the room at the moved that the discussion begin instead with Item #9 on the Agenda.

On a motion by Commissioner Vice-Chair Allison A. Jones and seconded by Commissioner Katie Anderson, the Board agreed to begin their discussions on Item #10 instead of #8 on the Agenda, that being the Special Programs HOME Committee. There being no further discussions or oppositions the matter was unanimously passed.

Immediately thereafter, Ms. Evans entered the room and the Board reverted back to begin discussions on Item #8.

SINGLE FAMILY COMMITTEE

First Item to be discussed was the resolution approving and authorizing the issuance of not exceeding \$300M of LHFA SFMRB.

Ms. Evans noted that the info on the matter was located on page 31 in the Board binder. She advised the Board that the resolution was needed so that the Agency could move forward and ask for volume cap utilization authorization from the State Bond Commission for the 2009 series, and that the request was also in line with the Agency's loan request to the Federal Home Loan Bank.

Commissioner Airhart concurred, noting that the entire \$300M would be actually utilized in smaller increments.

On a motion by Commissioner Katie Anderson and seconded by Commissioner Michael L. Airhart, the resolution approving and authorizing the issuance of not exceeding Three Hundred Million Dollars (\$300,000,000) of Louisiana Housing Finance Agency Single Family Mortgage Revenue Bonds in one or more series or subseries; and providing for other matters in connection thereof; was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Next Item was a resolution dealing with the reduction of the compensation to the originating lenders and the origination fee for the 2008B SFMRB Issue.

Commissioner Airhart noted the resolution was to allow and authorize the maximum compensation of 1.75 from the Agency to the lender, allowing the lender to collect an origination fee not to exceed .25%.

Brenda Evans advised the Board that the issue had been changed from 2008B to 2008C during the earlier Single Family Committee discussions.

On a motion by Commissioner Michael L. Airhart and seconded by Commissioner Katie Anderson, the resolution approving and authorizing for the reduction of the compensation to the originating lenders to 1.75% and allows for .25% maximum origination fee in connection with the 2008C Single Family Mortgage Revenue Bond Issue; and providing for other matters in connection thereof; was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Next item was an update from Brenda Evans on the 2008A, 2007C Issued and Whole Loan Report. She noted that the 2008A basically was out of funds, hence the move to the 2008B.

Commissioner Airhart advised the Board that the Finance Team had informed him that they anticipated that sometime during the week of November 17th there would be issuance of 6.99 subject to market and with four (4) points assistance. He noted that it would begin with a move of 30M+ and if all went well and given the authorization from the State Bond Commission that the second issuance would be up to the maximum of 75M, allowing for the 45M to move during the 1st week in December.

Vice-Chair Jones requested that the Board next move to Items #9 and #10 on the Agenda.

SPECIAL PROGRAMS HOME COMMITTEE

Charlette Minor advised that Board that there had not been a Committee meeting earlier. She noted that the HOME Reconciliation Update PR-27 was available on page SP-29 of the Board binder.

Next item was the resolution dealing with the HOME Buyer Training Awards. Commissioner Airhart inquired as to the recipients had met all the requirements thereof. Ms. Minor replied affirmatively, noting that she had also included a fact sheet detailing all who had applied and the winners thereof.

On a motion by Commissioner Maureen Clary and seconded by Commissioner Michael L. Airhart, the resolution approving and authorizing the LHFA to award ten (10) eligible applicants a total amount not to exceed \$600K for the purpose of providing homebuyer

education classes and one-on-one counseling sessions as referred to in the RFP published by the Agency on October 20, 2008, and providing for all matter in connection thereof; was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Next resolution was for the establishing of a policy regarding request for HOME Rehabilitation and Refinancing Loans.

Ms. Minor advised the Board that HUD requires the Agency to have such a policy to address refinancing and rehab issues. She also noted that the policy would require that at least 15% rehab work and the remaining could be done via refinance.

On a motion by Commissioner Michael L. Airhart and seconded by Commissioner Katie Anderson, the resolution for establishing a policy regarding requests for HOME Rehabilitation and Refinancing Loans, and providing for all matter in connection thereof; was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Next item was a request from Quantum Leap LLP to purchase a HOME Loan promissory note held by LHFA at a 30% discount relative to Country Acres and Spanish Lake at 45% discount.

Ms. Minor noted that the Decision Brief on the matter was on SP-37 in the Board binders. She noted that the promissory loan was \$427,500 and Country Acres had made an offer of \$299,250. And, that Spanish Lake was \$1,116,554 with an offer of \$614,015.00 Staff's recommendation thereof was to deny the requests.

On a motion by Commissioner Joseph M. Scontrino, III, and seconded by Commissioner Michael L. Airhart, the resolution to deny Quantum Leap LLP to purchase a HOME Loan promissory note held by LHFA at a 30% discount relative to Country Acres, the principal sum of the original HOME promissory note is \$427,500, the offer made by Quantum Leap, L.L.C. is \$299,250; and providing for all matter in connection thereof; was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Katie Anderson, the resolution to deny Quantum Leap LLP to purchase a HOME Loan promissory note held by LHFA to relative Spanish Lake Apartment at a 45% discount rate, the principal sum of the original HOME promissory note is \$1,116,554, the offer made by Quantum Leap, LLC is \$614,105.00; and providing for all matter in connection thereof; was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Next item was the resolution request of Michael R. Peralta relative to St. Michael's/Tulane Housing request to subordinate their HOME loan with modifications. Ms. Minor noted that the

resolution would allow the Agency to subordinate the loan but would not waive the interest – the interest would be added to the principal and the current owner would have to assume the loan.

Thereafter, Kelly Longwell addressed the Board noting that no cash would be taken out of the projects since it was a tax credit project that would have tax credit equity and CDBG funds and first mortgage to rehab the property so as to place it back in service.

On a motion by Commissioner Maureen Clary and seconded by Commissioner Katie Anderson, the resolution to accept Michael R. Peralta request relative to St. Michael's/Tulane Housing (New Orleans) request to subordinate HOME Loan with modification to include accepting the request to subordinate the original HOME promissory note of \$782,465.00; deny the request to waive all accrued interest, but request all interest accrued through July 31, 2005 be payable to agency at closing when loan is subordinated; accept changing current interest rate to the applicable federal rate; and that the current owner must assume the HOME Loan; and providing for all matter in connection thereof; was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Next item was an update on the Neighborhood Stabilization Program (NSP) by Robert McNeese. He advised the Board that there was \$30M to award in the program. Additionally, the Agency had received 128 pre-applications totaling \$130M, and that all areas identified with a need will be considered for the \$30M allocation.

Charlette Minor noted that the Action Plan would be ready for review by November 13, along with all the statistics thereof.

Commissioner Airhart inquired as to how the funds would be utilized. Ms. Minor replied that a fact sheet is begin developed with info noting the parish, costs, type of redevelopment, etc., and would be made available for all to review upon completion. Vice-Chair Jones requested that the draft of said document be sent via email to the BOC by noon on Thursday, November 13th.

Commissioner Clary inquired as to whether all 64 parishes were included thereof. Mr. McNeese replied that 62 of the 64 parishes were covered, and that the applicants ranged from developers to municipalities.

President Bailey congratulated the group on the recent All Clear Audit report on the Weatherization Assistance Program.

Last item was an update by Loretta Wallace on the Housing Trust Fund. She advised the Board that Agency staff had recently sent out invitations to all the HTF awardees to attend a training session and advised them that their closing needed to be done by year's end. She also revised an early statement made to reflect that the number of units that would be constructed from the amount of the HTF awarded would correctly be 419 units, which equated to \$55K per unit.

MULTIFAMILY RENTAL HOUSING COMMITTEE REPORT

Commissioner Madderra advised the Board that the first item under the Agenda was the discussion of the resolution for Belmont Village Apartments.

Loretta Wallace noted that the matter involved \$10.35M Multifamily Housing Revenue Bonds and that the matter had been discussed in Committee and that staff was recommending approval thereof.

Commissioner Mark Madderra concurred his approval likewise.

On a motion by Commissioner J. Mark Madderra and seconded by Commissioner Michael L. Airhart, the resolution of intention to issue not exceeding \$10,350,000 Multifamily Housing Revenue Bonds Belmont Village Apartments Project (720 Carrollwood Village Drive, Gretna, LA 70056) in one or more series to finance the acquisition, rehabilitation and equipping of multiple multifamily housing developments within the State of Louisiana; and providing for other matters in connection thereof, was adopted. There being no further discussions or oppositions, the matter was unanimously passed

Next item on the agenda, \$57.5M LHFA MHRB for GMF Louisiana Chateau Project, was **DEFERRED** until the December Board meeting.

Next item was the resolution to recapture LIHTC previously reserved/allocated to projects matter.

Louis Russell and Brenda Evans addressed the Board, noting that the list of projects that were to be recaptured were listed on page MF-63 in their Board binders.

Commissioner Madderra advised the Board that the matter had been discuss in Committee and approval thereof was recommended.

Vice Chair Jones inquired as to whether the parties involved thereof had been given sufficient notice of the list and in general been kept informed throughout the process. Ms. Evans replied affirmatively.

On a motion by Commissioner J. Mark Madderra and seconded by Commissioner Guy T. Williams, the resolution to recapture Low Income Housing Tax Credits previously reserved/allocated to projects identified in Exhibit A, due to non-conformance to Agency deadline for providing evidence of projects financing/construction closing by October 31, 2008; and submission of evidence of such closing by close of business Monday, November 3, 2008; and providing for other matters in connection thereof, was adopted. There being no further discussions or oppositions, the matter was unanimously passed

Next item to be discussed was the resolution providing for the reservation of unallocated and/or returned GO Zone and Per Capita LIHTC to certain residential rental facilities in its 2008 Lightning Round. Ms. Evan requested that the matter be put on HOLD pending the staff's copy and distribution of Exhibit A as referenced in the resolution.

Commissioner Madderra therefore moved on to the next item dealing with an extension of Placed in Service requirements for several projects. Ms. Evans noted that the specifics thereof were in the Board binder beginning on MF-73. She advised the Board that the matters had been discussed in Committee, and that the staff was recommending approval thereof.

She also noted that there was a correction to the resolution for Rising Sun Home reflective of their requesting an extension of January 31, not January 1, 2009.

On a motion by Commissioner J. Mark Madderra and seconded by Commissioner Maureen Clary, the resolution authorizing an extension of Placed In Service requirements for the following projects: 3501 St. Claude #07(GO)-10(R) (3501 St. Claude, New Orleans, LA 70117); Rising Sun Homes #06(R)-476 (1422 Charbonnett St., New Orleans, LA 70117); Classic Construction Venture I #06(2)-188 (A.P. Tureaud Ave. & Tonti St., New Orleans, LA); The Meadows #07/08(FA)-37 (Southside of the intersection of E. McNeese @ 5th Avenue, Lake Charles, LA 70606) as stipulated in the 2006 and 2007/2008 forward allocation GO-Zone QAP by Louisiana Housing Finance Agency (the "Agency") with respect to projects submitting a request for such extension; and providing for other matters in connection thereof; was adopted, with the correction to Rising Sun Homes for an extension of January 31, 2009. There being no further discussions or oppositions, the matter was unanimously passed.

Next item was a resolution dealing with a return-recapture of 2006 LIHTC from Fischer IV-3. Ms. Evans noted that the matter was referenced in the Board binders on MF-76. She noted that main aspect of the matter was that HANO was requesting the recapture of credit as well as having them set aside in order to complete any financing gaps on their remaining Big 4 Projects. The matter had been discussed in Committee and Board approval was needed so as to determine the timeline for said request. She noted that staff was recommending not later than December 1, 2008.

She also noted that the resolution would therefore reflect the language to be worded "...including reprocessing applications and positive feasible viability analysis to be received on or before December 1, 2008."

On a motion by Commissioner J. Mark Madderra and seconded by Commissioner Katie Anderson, the resolution authorizing a return-recapture of 2006 Low Income Housing Tax Credits in the amount of \$1,115,834 from Fischer IV-3 #06(2)-181; authorizing "set-a-side" of those credits for subsequent allocation to HANO's remaining "Big 4" (St. Bernard I, B.W. Cooper, Lafitte, and C. J. Peete III); authorizing the Louisiana Housing Finance Agency (the "Agency") staff and counsel to prepare the forms of such documents and agreements as may be necessary to recapture and reallocate credits to such facilities; with the added language "...including reprocessing applications and positive feasible viability analysis to be received on or before December 1, 2008"; and providing for other matters in connection thereof, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Mr. Will Belton approached the podium and requested to address the Board on a item passed by Board, noting that he had just saw the list and would like to comment thereof.

Vice-Chair Jones requested he briefly hold his comment until the Board finished discussing the last item under the Multifamily Committee agenda and the previously halted matter that was pending copying and distribution of a document from staff.

Next item discussed was the resolution dealing with the approval of the submission of a reprocessing application for the St. Bernard I Development Project.

Ms. Evans noted that the matter had been revised to also include Lafitte Redevelopment Plan.

On a motion by Commissioner J. Mark Madderra and seconded by Commission Guy T. Williams, the resolution authorizing the approval of the submission of a reprocessing application for the St. Bernard I Development Project and the Lafitte Redevelopment Plan, subject to an acceptable feasibility viability report and the project meeting all requirements of the Office of Community Development and the Louisiana Recovery Authority; and providing for other matters in connection thereof, was adopted. There being no further discussions or oppositions, the matter was unanimously passed

Commissioner Madderra noted that the last item to be discussed was the previously halted resolution dealing with items with regards to reserving unallocated tax credits pursuant to the Lightning Round.

Brenda Evans went over the specifics of the matter noting that Exhibit A, which had just been distributed to the Board, reflected that the Agency has \$26.9M in GO Zone credits as well as \$7.9M in Per Capita credits. She noted the resolution the Board was considering would allow the Agency to allocate those credit based upon the several criteria outlined as items i-iv, provided that any credits in the Calcasieu Parish Market Area be rescinded by staff based upon a consensus market demand analysis.

Vice-Chair Jones requested clarification as to the language dealing with “outside versus inside” the GO Zone.

There was further discussion by the Board and staff on the resolution parameters.

Commissioner Mark Madderra advised the Board that the Lightning Round was time-sensitive and that staff would have nine (9) projects in Calcasieu within 7-10 days outlining the exact requests thereof to include, units, unit mix, demographics, etc.) Also there would be a chart showing 1800 units in the pipeline including what type of project they were and a chart of info on the current demand in the area.

Commissioner Madderra requested approval of the resolution with a provision that would allow staff to act without Board approval thereof, based on the outcome of the market study parameters.

Vice-Chair Jones requested the resolution be amended to insert in subsection iv “...inside and...” before the words “outside”.

On a motion Commissioner J. Mark Madderra and seconded by Commissioner Guy T. Williams, the resolution providing the reservation of unallocated and/or returned GO Zone and Per Capita Low Income Housing Tax Credits (LIHTC) to certain residential rental facilities in its 2008 Lightning Round; 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 thereof, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Thereafter, Mr. Joe Madella (inaudible) from the audience requested to address the Board. He said he was representing First National Bank and wanted to dispute the Agency's finding that Bienville Square was not a feasible/viable project.

Mr. Wayne Neveu replied to Mr. Madella's inquiry advising the Board that the analysis was complete and the project failed in how it presented its information.

Vice-Chair Jones and Commissioner Williams suggested that Mr. Madella take the issue up with Agency staff and possibly bring up again at the December Board meeting.

Vice Chair Jones invited Mr. Belton back to the podium to address the Board.

He advised the Board that he had just acquired a copy of the list of the recaptured credits and was not aware his project was on the list until moments earlier and that he had not been given a chance to comment prior to the Board final action thereof.

Vice-Chair Jones informed him that he had three (3) minutes to address the Board for reconsideration on the motion again.

Mr. Ernest Jones immediately addressed the Board thereafter noting that they were never given an opportunity to appear before the public to comment, though proper notice was given of the recapture issue. He appealed to the Board to give Mr. Belton and his group more than three (3) minutes to argue the difference between a closing on the attachment and the closing on the 23rd.

Vice-Chair noted that the general procedures of the Board had been followed in that the matter had been reviewed and discussed in the Multifamily Committee and staff had assured the Board that all due process rights had been considered and therefore the matter had been passed by the Board.

Additionally, Vice-Chair offered to entertain a motion from the Board for reconsideration of the aforementioned matter.

There was NO response from the Board.

Commissioner Madderra noted that he had requested staff provide the Board at the upcoming December or January meeting the process of those projects in the pipeline.

Victor Smeltz with VOA Renaissance Neighborhood Development addressed the Board. He inquired on the New Covington Project mater.

Vice Chair Jones noted that it was her understanding that the project was not included because of a lack of commitment.

Next to address the Board was Curtis Chaney with then NLP Group. He advised the Board that the Plaquemine Homes Project had the full support of the Parish Council and was moving forward even given the moratorium on multifamily projects.

Vice-Chair advised Mr. Chaney that the project was not on the approved list because of a lack of a firm financing commitment.

Pam Hammond of Elkins PLC addressed the Board. She inquired as to whether there would be an opportunity to challenge the list. Commissioner Madderra replied that technically the challenge period was over.

Next to address the Board was David Miller speaking on behalf of Dorgenois Lofts. He noted that he opposed the Board taking actions when developers have not had time to review said matters.

Next to address the Board was Mark Turrentine. He requested clarification as to the meaning of the shaded versus non-shaded items on the list.

Vice Chair Jones noted that the shaded items were approved and non-shaded items had not been approved.

PRESIDENT'S REPORT

Vice-Chair Jones inquired to President Milton Bailey is he wished to waive any items of discussion. Mr. Bailey nodded affirmatively.

HUMAN RESOURCES

Vice-Chair Jones noted that the Committee had not met earlier, and that an update on the Agency Vice-President vacancy would be given at the December Board Meeting.

Commissioner Airhart inquired as to the continued delays in the matter and requested a update from President Bailey.

President Bailey noted that HR Committee Chairman Tyrone Wilson had been working with General Counsel Terri Ricks to get a timeline of the search and also working on a current job description, were continuing to accept and evaluate applications, and would being shortly to schedule interviews, and then hiring an individual to begin working around April 2009.

Ms. Ricks advised the Board that Commissioner Wilson would be sending out a memo to the Board seeking comments so as to move on the matter in December.

Vice-Chair directed Ms. Ricks to promptly send said matter out via email so that it would be considered at the December Board meeting.

LEGAL

Vice-Chair Jones noted that Committee had not met earlier. She noted that a litigation report would be circulated to the Board under attorney/client privilege was not to be circulated to any other parties thereof.

ENERGY COMMITTEE

Darleen Okammor addressed the Board noting that there had been no Committee meeting earlier. She noted that the Energy Assistance Program has extended 71% of its allocation and had served 7805 households. She also noted that the Agency was set to received \$61M during the next round of allocations.

Ms. Okammor continued noting that there would be a public hearing on the Weatherization Assistance Plan on November 13 at LHFA. Additionally, that there was a finding of No Deficiencies from the DOE Monitor Review of the WAP. And, that future WAP supplemental would possibly be double pending congressional legislation.

She advised the Board that La. Weatherization Day had been held on October 30th in Bossier City.

OTHER BUSINESS

Commissioner Airhart acknowledged the Single Family for having won an Excellence Award at the recent NCSHA Convention for their Insurance Offset Program.

Vice-Chair reminded everyone that the Board Retreat would be held on December 2nd and 3rd in Lake Charles. And, she extended the opportunity to anyone who wished to have any items included in the event to feel free to submit them accordingly.

Finally, she reminded the Board of the January 2009 NCSHA seminar and that anyone wanting to attend needed to promptly inform Barry Brooks.

ADJOURNMENT

There being no other matters to discuss, Commissioner Joseph Scontrino offered a motion for adjournment that was seconded by Commissioner Katie Anderson. There being no further discussions or oppositions, the matter was unanimously passed. **The Full Board meeting adjourned at 2:20 PM.**

Chairman

Secretary