

**Louisiana Housing Finance Agency
Full Board Meeting Minutes
Wednesday, October 15, 2008
2415 Quail Drive
V. Jean Butler Board Room
Baton Rouge, LA 70808
11:00 A.M.**

DRAFT

Commissioners Present

Chairman Wayne E. Woods
Vice Chair Allison Jones
Robert Pernell
Guy T. Williams
Maureen Clary
Mayson H. Foster
Walter O. Guillory
Joseph Scontrino, III
Katie Anderson
Kristy Nichols/Susan Sonnier

Commissioners Absent

John Kennedy/Alice Washington
Mark Madderra
Tyrone A. Wilson
Roy W. Lester

Legal Counsel Present

Staff Present

(See attached sign-in sheet)

Others Present

See attached sign-in sheet

Chairman Woods called the meeting to order at 11:30 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 Woods then stated we don't have the minutes yet from the last month's meeting. He asked that we postpone that until next month's meeting.

CHAIRMAN'S REPORT

The Chairman stated the Department of Social Services has an appointment on this Board by statute. Former Commissioner Lisa Woodruff-White was recently elected to the Family Court of Judgeship. With that, he welcomed the newest board member, Susan Sonnier, who is the Deputy Secretary of Department of Social Services. Ms. Sonnier made a brief statement.

PRESIDENT'S REPORT

Mr. Bailey stated he had three items to discuss under the President's Report. He began stating we have spent the past few years approximately searching for a new general counsel and have found one. He gave a brief bio of and then introduced Ms. Terri Porche Ricks. Ms. Ricks began her service with the Agency. She left the Agency as the Agency's attorney assigned by the Attorney General's Office to serve Governor Blanco as the Under-Secretary for the Department of Social Services. Between 2004 and 2006 she served the LHFA in the capacity of Board Commissioner as well as serving as Vice-Chairman of the Board for two years. She is returning to the Agency as general counsel.

Mr. Bailey continued his report, stating they spent some time last week in Washington. We went up there for two reasons. One, to educate and inform our congressional delegation about three critical issues that are facing this state and the recovery in the wake of Hurricanes Katrina and Rita, compounded by Hurricanes Ike and Gustav, and further compounded by the capital market meltdown. And we also used that delegation to participate in a conference held by HUD to talk about their Neighborhood Stabilization Program. Our message was this: We need to push back until December 31, 2012 the placed in service dates to allow us to fully recover from the effects of Gustav and Ike and to let the capital market crisis abate sufficiently enough for us to identify investors that will help us achieve our affordable housing objectives in this state.

Item number two is on emergency basis providing the LHFA with \$50 million dollars in additional Go Zone tax credits to help close some of the gaps that exists in our portfolio.

And three, to provide the LHFA with \$80 million dollars of block grant funds to provide for operating reserves and to fund other reserves required by investors.

He then asked Ms. Charlette Minor to talk about the Neighborhood Stabilization Program. Ms. Minor began by stating on July 28th of this year Congress had passed Bill HR3221, which is (inaudible) Housing and Economic Recovery Act of 2008. In that, it set aside provisions to provide emergency assistance for the re-development of abandoned and foreclosed properties. On September 26 HUD released a (inaudible) dollar allocation. Louisiana received just a little over \$34 million dollars and Baton Rouge and New Orleans received just a little over \$2 million. Typically the money will go to the Louisiana Office of Community and Economic Development. We were not arranged with that entity whereby we would implement the NSP. We did arrange with ODC where we would split the Administration fee, but physically we're to submit a plan by December 1 to amend the consolidated plan that's in place.

She stated there is a resolution if Chairman Woods could entertain in terms of us accepting the program.

Before doing so, Chairman Woods wanted to make sure that for the public comment there's a place where people can go to, not just for the invitation, but also where they can submit public comment on our website.

Ms. Minor responded we're required by HUD to have the action plan completed and submitted on our website November 15th. All state agencies are required to do so. We will meet that deadline and have it posted.

In order for us to enter into an agreement with them to administer the program, we would need to have a resolution from the board authorizing staff to enter into that agreement, the Chairman stated.

When asked of the Chairman how much of the \$34 million is going to be allocated to us for the NSP, Ms. Minor responded, the entire \$34 million -- 2% for OCD and 8% for LHFA. The total \$34 million then would come to the Agency for us to administer, he said.

In order to effectively vote on a resolution to do so, we're going to have to suspend the rules to add this item to the agenda. Commissioner Jones made that motion, Commissioner Pernel seconded. He asked that the record reflect that the motion carried unanimously the issue with regards to the Neighborhood Stabilization Program has been added to the agenda.

On a motion by Commissioner Airhart and seconded by Commissioner Anderson authorizing the Agency to enter into an agreement to receive funds from the Louisiana Office of Community Development authorizing the Agency to create program documents for the Neighborhood Stabilization Program, authorizing Agency staff and counsel to prepare the documents necessary to administer the Neighborhood Stabilization Program and providing for other matters in connection therewith. There being no further discussions or oppositions, the matter was unanimously passed.

AUDIT COMMITTEE REPORT

Commissioner Clary stated the Audit Committee met this morning to receive the results of the presentation from our auditors and asked Rene Landry, CFO, to come forward.

Mr. Landry began stating that for the third year in a row we have no audit findings. The results were presented in a few slides to the committee. They had a few questions and were happy with the presentation and the results. He noted Commissioner Clary commended him, his staff, and the Accounting department.

Chairman Woods asked if there were any Board action that needs to take place with regard to the audit. Mr. Landry responded, just for the record state that the Board accepts the audit reports of the firms would be fine.

On a motion by Commissioner Clary, and seconded by Commissioner Jones the Audit Committee Report was accepted. There being no further discussions or oppositions, the matter was unanimously accepted.

HUMAN RESOURCES

Chairman Woods stated there was no Human Resources Committee meeting. He had directed and spoke with the Chair of the Committee, Commissioner Wilson, with regards to the vice-president vacancy and they were supposed to establish the protocol through that. With Commissioners' permission he asked that they move forward on this right now.

He continued what they had discussed as the protocol would be to advertise the position in major newspapers throughout the state. Also, the position would be posted in various trade organizations that deal particularly with housing and finance agencies, like the NCSHA, etc., so that the position would be mostly all across the country.

They would allow 30 days to have people submit their resumes, etc. The Personnel Committee would go through the applications, as well as the interview committee, the selection committee, and two other members from the Personnel Committee.

Commissioner Foster requested Board members be notified as to when the interview process would be, and thought it important that each of them have an opportunity to see those applications during the interview process rather than just coming to the meetings.

Discussion continued on the process.

On a motion by Commissioner Jones and seconded by Commissioner Anderson, the Board adopted to process and go forward on employing a vice-president. There being no further discussions or oppositions, the matter was unanimously accepted.

SINGLE FAMILY COMMITTEE REPORT

Commissioner Airhart stated the Single Family Committee met this morning. He stated with the credit markets in current turmoil right now, the staff and the financial advisors cannot go into the credit markets and do a bond issuance. What they were attempting to do was release the 2008B and due to the current turmoil, that is not an option right now. He stated they are investigating other options with the financial advisors, Tim Rittenhouse and Buck Landry, Morgan Keegan and Larry Englande to investigate an opportunity to do a line of credit from the Federal Home Loan Banking Systems. He then asked Ms. Brenda Evans to come forth.

Ms. Evans continued, as Commissioner Airhart pointed out, we have had serious meetings with members of the Agency staff as well as the finance team to undertake what the Board directed us at the September 24th meeting in establishing a line of credit with the Federal Home Loan Bank. We have had a number of calls with them, Tim Rittenhouse, our financial advisor, actually taking the lead on those calls. Basically we have a pinned up demand, she stated. There's a strong demand for bond money in the state. However, right now we have an \$11 million dollar waiting list and have fully allocated all of our 2008A money with the exception of funds that we have with the CDBG dollars. We have embarked upon an advertising campaign for those CDBG dollars and we're hoping that they also will quickly move.

Ms. Evans continued with a detailed report, followed by comments from Commissioner Airhart concerning 2008C issuance. Commissioner Airhart motioned to suspend the rules to add a late agenda item to the Full Board Agenda discussion of a resolution with regard to a 2008C issuance. Seconded by Commissioner Jones. At the Chairman's request, Chairman Airhart included the purpose for the addition of that motion for the record.

On a motion by Chairman Airhart seconded by Commissioner Pernell to approve not exceeding \$100 million (\$100,000,000) for a 2008C issuance. There being no further discussion or oppositions, the matter was unanimously passed.

Question by the Chairman, response from Ms. Evans and Commissioner Airhart..

SPECIAL PROGRAMS/HOME COMMITTEE REPORT

Commissioner Guillory stated the Special Programs/HOME Committee did meet and asked Ms. Charlette Minor to give a report on the HOME Reconciliation and the resolution to accept the awarding of CHDOs on the (audio noise).

Ms. Minor directed the Board to the PR-27 for the HOME Reconciliation report in their binders. She then directed them to the Resolution for the CHDO RFP, and made recommendation to make these awards. Ms. Minor explained the process and how we arrived at those numbers.

On a motion by Commissioner Guillory and seconded by Commissioner Jones, the Board approved the spending of the CHDO awards of \$2.5M--\$2,569,441.

Commissioner Guillory asked Ms. Loretta Wallace to give an update on the Housing Trust Fund. Ms. Wallace stated at the Committee meeting the awards list was given out for the allocation of the Housing Trust Fund.

Ms. Wallace stated we will send out letters by Monday notifying those who have been awarded.

Chairman Woods asked, and once we approve these awards, if that will also satisfy our requirements as far as the Treasurer's Office is concerned that the money has been expended. Ms. Wallace responded saying we have to do proposing and get the money out the door by

December 31 so that's our next step. She responded yes, to Commissioner Jones' question if the Board approved it, if this was doable.

On a motion by Commissioner Guillory and seconded by Commissioner Pernell, to accept the recommendation of the 2008 Housing Trust Fund award list.

ENERGY ASSISTANCE COMMITTEE REPORT

The Energy Assistance Committee met this morning, Commissioner Pernell stated. There's no form or action that needs to be taken by the Board. Ms. Darlene O'Kammor stated as of last Friday, they spent \$1.6 million dollars and served 3,996 homes with the LIHEAP Express. They are still developing the dynamics of the program and should work them out sometime in November. Commissioner Pernell added the Committee was pleased with the PR program that was administered for this program.

MULTIFAMILY COMMITTEE REPORT

Ms. Wallace addressed the Board, bringing 3 resolutions before them for approval, directing them to the Decision Brief that preceded each.

The first was a Resolution for the issuance of \$57,500 in Multifamily Housing Revenue Bonds for the GMF Project. This is the Global Industry Foundation that approached the Agency and requested that we issue these bonds for the purpose of seven multifamily properties which are located in Lafayette and Lake Charles. Each project is listed on the Decision Brief. Staff is recommending approval of this request and I think Mr. Hamlet is in the audience if you have any questions regarding this project.

Motion by Commissioner Jones and seconded by Commissioner Williams to adopt the Resolution with regard to \$57.5 million dollars of Multifamily Housing Revenue Bonds for GMF Louisiana Chateau Project.

Next was the Decision Brief and the Resolution for the issuance of \$200 million dollars to finance the acquisition and construction and rehabilitation of various multifamily projects that applied for the 4% CDBG Piggyback Bond Program. Staff is recommending approval of this request. It's preliminary approval and it depends on whether or not we will use these bonds if any of the deals -- the 4% CDBG deals are approved and funded.

The Chairman explained, this is directly with regard to \$200 million dollars Multifamily Housing Revenue bonds.

On a motion by Commissioner Jones and seconded by Commissioner Pernell, a resolution of intention to issue Multifamily Housing Revenue Bonds to finance the acquisition, construction, equipping and/or rehabilitation of one or more multifamily housing projects; authorizing not exceeding Two Hundred million dollars (\$200,000,000) Multifamily

Housing Revenue bonds, in one or more series; and providing for other matters in connection therewith.

The last Decision Brief and Resolution she introduced was the other Resolution which is applied to the same bonds authorizing the Board to approve financing the acquisition and construction equipment and rehabilitation of each of these deals that applied for the CBDG 4% credits.

Motion by Commissioner Jones, seconded by Commissioner Guillory to accept the Resolution of intention to finance the acquisition construction, equipping and or rehabilitation of each multifamily housing project receiving CDBG Funds from the Office of Community Development (OCD); authorizing not exceeding amounts of Multifamily Housing Revenue bonds to each of the projects that applied to OCD for CBDG funds; and providing for other matters in connection therewith.

The next item on the agenda was an update on closed projects, the lightening application and the timeline.

Ms. Brenda Evans addressed the Board. What you have before you that was recently handed out was a Resolution and also an attachment, Exhibit A. This relates to the Board's directive at its August meeting where staff was directed to take a look at all projects that have not closed and they were given a closing date of September the 30th to be able to close and any project that did not close by that date, the Board would be ready to recapture those credits.

Ms. Evans continued with a detailed report and very lengthy discussion followed.

At the conclusion of this discussion, the Chair entertained a motion to amend previous Board action to allow for all projects that have tax credits to be allowed closing by Friday, October 31st instead of September 30th and that they submit physical evidence of such a closing by November 3, 2008.

Ms. Ricks suggested the rules be suspended to add that to the agenda.

On a motion by Commissioner Jones and seconded by Commissioner Pernell, to adopt the Resolution to extend the date to October 31, 2008.

Lengthy discussion between the Board, Ms. Evans and guests followed. Several guests addressed the Board.

Very lengthy discussion followed on Bayou Place I and II. Introduction of Grace Robertson, who is with the IRS.

Discussion moved on to the last items on their agenda, St. Rosa Heights. Ms. June Britton, management member for Santa Rosa Heights introduced her and Mr. Phil Britton. Lengthy discussion followed.

At the conclusion of this discussion, Mark Turrentine, who is with the Louisiana Association of Affordable Housing Providers, introduced himself and told a little about the organization.

The Chairman then asked if there any other business to come before this Agency?

Commissioner Foster responded he would like to get the information that's going to be coming to the Board at least three days in advance.

Mr. Bailey responded, stating he'd like to make sure that the Program Administrators pass that information on to their staff. He also stated Barry (Brooks) spends an enormous amount of time pulling together board packages and has a great deal of difficulty pulling them out of staff. We need to put that to an end. We know that this event occurs once a month, every month, 12 months a year. So there is no reason why we need to hold up our Board. There's a lot of information to review and they need time to review it. He agreed with Commissioner Foster, and said we will make changes in that.

Commissioner Williams added, while we're in that neighborhood, it should come up at a predictable time each month. Staff and fellow board members, it's inconvenient for a lot of us to reschedule board meetings and a lot of us plan in advance and we need to have a predictable Board schedule as well.

The Chairman stated the cancellation of the last Board meeting or postponement was because of the trip scheduled to D.C., adding we were concerned about a quorum because some other people were out.

OTHER BUSINESS

None

ADJOURNMENT

There being no other business to come before the Agency Chairman Woods entertained a motion to adjourn. On a motion by Commissioner Jones and seconded by Commissioner Anderson the meeting was adjourned at 1:54 p.m.

Chairman

Secretary