

**Full Meeting Minutes  
Board of Commissioners  
Louisiana Housing Finance Agency**

**Wednesday, February 11, 2008  
2415 Quail Drive  
V. Jean Butler Board Room  
Baton Rouge, LA 70808  
12:00PM**

**Commissioners Present**

Wayne E. Woods  
Allison A. Jones  
John Kennedy  
Guy T. Williams  
Robert Pernell  
Michael L. Airhart  
Mayson H. Foster  
Joseph Scontrino, III  
Katie Anderson  
Jerome Boykin, Sr.

**Commissioners Absent**

J. Mark Madderra  
Susan W. Sonnier  
Tyrone A. Wilson  
Walter O. Guillory

**Legal Counsel Present**

Wayne Neveu, Foley & Judell  
Terri Porche Ricks  
Edselle Keith Cunningham, Jr.  
Christine Bratkowski  
Leslie C. Strahan

**Staff Present**

Milton J. Bailey  
Barry E. Brooks  
Charlette Minor  
Loretta Wallace  
Brenda Evans  
Terri Ricks  
Jeff DeGraff

Eva Martinez  
Demetria Farve  
Joyce Jackson  
Desiree Armstead  
Mary Antoon  
Agnes Chambers  
Jatis Harrington  
Ricky Patterson  
Joe Durnin  
Angela King  
Costa Araujo  
Collette Mathis  
Kip Anderson  
Nicole Carter  
Melanie Brocato  
Christine Bratkowski  
Wendy Hall

**Others Present**

See Sign-In Sheet Attachment

**CALL TO ORDER**

Chairman Wayne E. Woods called the meeting to order at 12:25 PM; Board Coordinator Barry Brooks did the roll call; a quorum was established. Next there was an introduction of guests.

**APPROVAL OF MINUTES**

**On a motion by Vice-Chair Allison A. Jones, and seconded by Commissioner Robert Pernell, the minutes of the Full Board Meeting held December 10, 2008 were approved.** There being no further discussions or oppositions, the motion passed unanimously.

**CHAIRMAN'S REPORT**

Chairman Wayne Woods began the meeting by swearing in Jerome Boykin, Sr., as the newest member to the LHFA Board of Commissioners.

Chairman Woods then administered the Oath of Office to Mr. Boykin.

Mr. Jerome Boykin, Sr., introduced himself as a Houma resident and also as the Terrebonne Parish NAACP President. Additionally, he is President of JB Sweeping and is an Edison Chouest consultant. He thanked Will Belton and Ernest Johnson for attending and for their support.

Chairman Woods advised the Board up the upcoming March 1-6 NCSHA WashDC LegisConf and also the Congressional Visits being coordinated by Barry Brooks. He inquired to the audience that is anyone had an issue they wanted the LHFA group to advocate while in WashDC to let him or President Milton Bailey know thereof.

### **PRESIDENT'S REPORT**

President Milton Bailey advised the Board that the Federal Government's Stimulus Package was still being discussed in Washington and further info on the specifics thereof would be forthcoming.

Additionally, he reiterated the WashDC trip noting that the group would be asking for, but not limited to, a push back in the Place In Services deadline dates, \$2B in credit gap financing for HFA's, and nor prohibition in the use of MRB's.

President Bailey also noted that GCR and Associates are in the process of finalizing the State Housing Needs Assessment Report but that in their binders was a draft, and that the Final version when received would be placed on the LHFA website for all to review.

Thereafter, Chairman Woods requested Mark Turrentine with LAAHP address the Board to discuss the group's request of support for a State Tax Credit initiative.

Mr. Turrentine went over the proposed group's Resolution on LIHTC developments. He noted his group feel property assessments are inequitable as the current regulations require the use of the cost approach to assess properties and in some cases the result is property taxes that are as much as two times higher than similar market rate properties. He continued his discussion noting the pros and cons of the current formula used by tax assessors, noting the proposal is to use a Class C status. He requested that the Board send a representative to the March 3<sup>rd</sup> State Bond Commissioner meeting to speak in support of the LAAHP position. It was noted that Commissioner Mark Madderra and LHFA Bond Counsel Wayne Neveu would be in attendance thereof.

**On a motion by Vice-Chair Jones and seconded by Commissioner Michael Airhart, a resolution was adopted whereby the LHFA supports both the regulation adopted by the State Tax Commission to utilize the capitalized income approach for assessing the Low Income Housing Tax Credit properties and also supporting the use of market capitalization rate "Class C: structure for rental properties with similar construction and location; and providing for all matter in connection thereof. There being no further discussions or oppositions, the matter unanimously passed.**

### **LEGAL COMMITTEE**

It was noted by the committee's Chair, Vice-Chair Allison Jones, that there were no items to discuss or actions needed thereof.

### **HUMAN RESOURCES COMMITTEE**

It was noted by Chairman Woods that Commissioner Tyrone Wilson, HRC Chair, was absent but that the Vice-President position would be advertised in the major State newspapers, on the NCSHA employment website, in addition to the LHFA website. Also that the HRC would follow the previously established timetable in so far as screening, interviewing, and selecting the VP. He requested an update be given to the Board at the March 11 BOCM.

Thereafter Commissioner John Kennedy inquired as to how long the position had been vacated and who was handled the duties and functions thereof. President Bailey advised him that the position had been vacant since the early Fall of 2007 and that the job functions thereof had been spread amongst the Senior and Executive Staff.

It was also noted by Chairman Woods that the Board Bylaws required a Vice President be in position at the Agency and was therefore not a position that could be left unfilled indefinitely.

Commissioner Anderson noted the urgency to fill the VP position as the President Stimulus Bill would require the Agency take on new programs and responsibilities, necessitating the need for placement of a VP to handle said new initiatives.

Chairman Woods also advised that the delay in filling the VP position was due in some part to the change in Governor and BOC in 2008 and the need to wait until all were placed to proceed thereof.

Commissioner Kennedy thereafter suggested the Agency take a strategic look at how to streamline personnel whenever possible. Vice-Chair replied that such measures were discussed at December 2008 BOC Retreat.

It was also noted that the Budget and Finance Committee would review said aforementioned items and present an analysis thereof to the Board at a future date.

An audience member, Mr. Robert Davis, addressed the Board and advised that he applauded the Agency staff for all their hard work and requested the need to perhaps instead of streamlining to increase the personnel thereof.

President Bailey also advised the Board that he would be selecting a new Human Resources Director in the very near future to replace Tim Gilmore who resigned previously to accept a position elsewhere.

### **INTERNAL AUDIT COMMITTEE**

Committee Chair Joseph Scontrino advised the Board that the 2009 Audit Plan had been presented during the earlier committee meeting, and no action thereof was needed from the Board.

## **BUDGET AND FINANCE COMMITTEE**

It was noted by Committee Chair Mayson Foster that the committee had met earlier. Thereafter Agency CFO Rene Landry discussed the budget parameters of the newly created National Stabilization Program.

There was discussion between the Board and Mr. Landry on Agency travel and training expenditures.

Thereafter were lengthy discussions on expenditures in the area of Professional Services at the Agency. In specific, Commissioner Kennedy inquired as to the process thereof in the awarding of said matters, costs associated thereof, and consistent lack of effective RFP efforts.

Commissioner Kennedy issued a directive to the Agency that future Professional Services were to be done via an RFP and the results thereof presented to the Board for approvals.

Additionally, Chair Woods issued a directive that all current Professional Service matters at the Agency be listed for the Board to review the Scope of Services and Costs associated thereof, and that a RFP Policy be developed for said matters. Commissioner Foster requested that said report also note the start/end date of said matters.

It was noted by BFC Chair Foster that a review of Agency revenues would be presented in March, a review of Agency expenditures in April, and presentation of the 2010 budget to the Board for final approval in May 2009.

**On a motion by Commissioner Mayson Foster and seconded by Vice-Chair Allison A. Jones, a resolution was adopted approving an amendment to the Louisiana Housing Finance Agency Operating Budget for the fiscal year ending June 30, 2009 entitled “Louisiana Housing Finance Agency 2009 Amended Operating Budget”; and providing for all matter in connection thereof. There being no further discussions or oppositions, the matter unanimously passed.**

## **ENERGY COMMITTEE**

Committee Chair Robert Pernell advised the Board that the committee had met earlier, and no action thereof was needed from the Board.

Energy Manager Darlene Okammor went over the various program status reports. She noted that 28% of the \$45.4M LIHEAP funds had been expended and assistance was given to 30K+ households. Also, that there would be available \$2.9B to be dispersed to the states from the President’s Stimulus Bill.

There was discussion via Commissioner Kennedy and the Energy staff on overhead costs in the programs and how other entities were being compensated from their participation in said programs.

Commissioner Kennedy reiterated the need to review said matters so as to decrease costs and therefore be able to weatherized additional homes more effectively. In addition he requested that the programs be RFP wherever possible.

President Bailey directed the Agency staff to do a comprehensive review of all costs associated with the programs and to find ways to cost economize wherever possible.

There was a consensus from the BOC that the programs needed to be analyzed for cost effectiveness and efficiency.

Chair Pernell advised the Board that he was in agreement that the programs needed to be administered efficiently but that he had some concern about any measure that could curtail the progress of the current program via any bureaucratic delays.

**On a motion by Commissioner John Kennedy and seconded by Commissioner Jerome Boykin Sr., the Board directed Agency staff to do RFP's with regards to the current and additional future funding for the WAP and LIHEAP; and providing for other matters in connection thereof. Chairman Woods requested a Vote Call. YEA Votes were Commissioners Kennedy, Williams, Airhart, Scontrino, and Boykin. NAY Votes were Commissioners Jones, Pernell, Foster, and Anderson. There being no further discussions or oppositions, the matter PASSED 5-4.**

Chairman Woods thereafter advised that the EAC would handle all parameters of the RFP and that all contracts thereof must come before the Board for approvals.

Agency General Counsel Terri Ricks inquired to the Board as to whether the intent was to RFP current contracts and/or the current contracts that end in 2010. Commissioner Kennedy replied that it applied to the current and any future contracts. He noted that as a state contract the current contracts have termination provisions thereof.

Commissioner Kennedy thereafter issued an amended directive requesting a list of the subcontractors for WAP and LIHEAP.

### **SINGLE FAMILY COMMITTEE**

Committee Chair Michael L. Airhart and Agency Program Administrator Brenda Evans went over the current market conditions and the effects thereof on the 2008B and 2008A Issues.

It was also noted the need for a MOU between LHFA and Standard Mortgage Corporation as a precautionary measure to continue the flow of funds should they become depleted.

Chair Airhart advised that the Agenda items dealing with the Affordability ratios for HOME and CDBG Products for Programs beginning 2009 and the Discussion on an Increase in Compliance Fees would both be deferred for the March 2009 BOCM.

Brenda Evans discussed the various parameters dealing with DCBD/MRB loans in conjunction with LRA/OCD.

### **SPECIAL PROGRAMS HOME COMMITTEE**

SPHC Chair Robert Pernell requested Agency Program Administrator Loretta Wallace preface the Board on the Defaulted 202 Properties.

Ms. Wallace gave a history of the Defaulted 202 Properties, noting a detailed analysis thereof was in the Board binders on page SPH-44.

Chairman Woods inquired as to whether all of the insurance issues thereof had been addressed and resolved on the various properties. Ms. Wallace responded affirmatively.

**On a motion by Commissioner Robert Pernell and seconded by Commissioner Katie Anderson, a resolution was adopted authorizing and approving a Work-Out Agreement by and among the Louisiana Housing Finance Agency (the "Agency"), the United States Department of Housing and Urban Development ("HUD") and the nonprofit owners of six (6) Section 8 Assisted – 202 Elderly Projects (the "Projects") financed by the Agency and HUD under HUD's Risk Sharing Program; and providing for other matters in connection thereof. There being no further discussion or opposition, the matter unanimously passed.**

Next item discussed was the Louisiana CHDO Selection Policy. Chairman Woods advised his full support of the matter.

**On a motion by Commissioner Robert Pernell and seconded by Commissioner Joseph Scontrino, II, a resolution was adopted approving the adoption of the Louisiana Community Housing Development Organization ("CHDO") Selection Policy (Exhibit A") for the Louisiana Housing Finance Agency (the "Agency"); and providing for other matters in connection thereof. There being no further discussion or opposition, the matter unanimously passed.**

Next item discussed was the Rural Initiative matter. Chairman Woods advised the Board that he fully supported the matter since it will focus on rural developments, and in particular rural developments in the Delta Parishes. Commissioner Kennedy inquired as the specifics of the program. Ms. Minor noted that the services needed would be done via RFP and final approval by the Board.

**On a motion by Commissioner Robert Pernell and seconded by Commissioner Michael Airhart, a resolution was adopted approving and authorizing the Louisiana Housing Finance Agency (the “Agency”) the ability to obligate seven million dollars (\$7,000,000.00) of HOME funds for a Rural Initiative; and providing for other matters in connection thereof. There being no further discussion or opposition, the matter unanimously passed.**

Next item discussed was the HOME funds for 2009 QAP matter.

Ms. Minor discussed the parameters of the matter noting it was a part of the Consolidated Plan. Specifics are on page SPH38 in the Board binders. She noted that the goal of the program was to have \$3M available for HOME funds. SPH Chair Pernell advised the Board that he supported the staff recommendation for approval thereof.

**On a motion by Commissioner Robert Pernell and seconded by Commissioner Joseph Scontrino, II, a resolution was adopted approving and authorizing the Louisiana Housing Finance Agency (the “Agency”) the ability to obligate three million dollars (\$3,000,000.00) of HOME funds for an initiative to support the 2009 QAP; and providing for other matters in connection thereof. There being no further discussion or opposition, the matter unanimously passed.**

Next item discussed was the Rural Owner Rehab matter.

HOME staff member Robert McNeese gave a brief analysis of the program for the Board. SPH Chair Pernell advised the Board that he supported the staff recommendation for approval thereof.

**On a motion by Commissioner Robert Pernell and seconded by Commissioner Katie Anderson, a resolution was adopted approving and authorizing the Louisiana Housing Finance Agency (the “Agency”) the ability to obligate two million dollars (\$2,000,000.00) of HOME funds for a rural owner rehab initiative for those areas outside of the CDBG entitlement areas (Exhibit A “CDBG entitlement areas”); and providing for other matters in connection thereof. There being no further discussion or opposition, the matter unanimously passed.**

Next item discussed was an update on the NSP by Ms. Minor. She went over the parameters dealing with the Action Plan Amendment and approval from HUD to move forward with the program with 10% administrative costs. She noted that the program was to rehab foreclosed properties; that OCD had designated LHFA as primary agent and that OCD would retain a 2% of the total allocation for program process function items not delegated to LHFA.

Commissioner Kennedy requested thereafter that a conference call be held between Chairman Woods, Commissioner Guillory, himself, Ms. Minor, and OCD officials to discuss same 2% arrangement. He noted that the \$700K being deobligated to OCD could be better used to fight more blighted housing problems.

There were further extensive discussions between the Board and staff on the NSP matter.

Next item to be discussed was the LHFA Distressed Projects Initiative matter.

Commissioner Pernell advised that the original Resolution had been amended to cap the program at \$500K.

Ms. Minor discussed the parameters of the program and advised the Board that it would be done via the RFP process.

Commissioner Pernell advised that he would be supporting staff's recommendation for Board approval.

**On a motion by Commissioner Robert Pernell and seconded by Vice-Chair Jones, the resolution was adopted approving and authorizing the Louisiana Housing Finance Agency (the "Agency") the ability to obligate two million dollars (\$2,000,000.00) of HOME funds for a LHFA Distressed Projects Initiative, with a cap of up to five hundred thousand dollars (\$500,000.00) per project, and providing for other matters in connection thereof. There being no further discussion or opposition, the matter unanimously passed.**

#### **MULTIFAMILY RENTAL HOUSING COMMITTEE REPORT**

MFC Interim Committee Chair Guy Williams advised that that all matters on their Agenda had been discussed in the committee meeting, and they were advising approvals thereof.

**On a motion by Commissioner Guy Williams and seconded by Commissioner Joseph Scontrino, III, a resolution was adopted accepting the proposal of MMA Financial or such other purchaser as may be designated by the Developer for the purchase of not exceeding Ten Million Ninety-One Thousand Eight Hundred Fifty-Six Dollars (\$10,091,856) Louisiana Housing Finance Agency Multifamily Housing Revenue Bonds (The Muses II Project) in one or more series; fixing the parameter terms of said bonds and otherwise providing with respect to said bonds; and providing for other matters in connection thereof. There being no further discussion or opposition, the matter unanimously passed.**

**On a motion by Commissioner Guy Williams and seconded by Commissioner Katie Anderson, a resolution was adopted providing a policy for the administration of requests under IRS Code §42(h)(6)(E)(i)(II) to produce a Qualified Contract; to allow the Louisiana Housing Finance Agency to administer requests from property owners who intend to make a request under IRS Code §42(h)(6)(E)(i)(II) for a Qualified Contract; and authorizing the Agency staff and counsel to prepare the forms of such documents and agreements as may be necessary; and providing for other matters in connection thereof. There being no further discussion or opposition, the matter unanimously passed.**

**On a motion by Commissioner Guy Williams and seconded by Commissioner Michael Airhart, a resolution was adopted rescinding credits for three projects which were erroneously approved in the 2008 Lightning Round; and providing for other matters in connection thereof. There being no further discussions or oppositions, the matter unanimously passed.**

**On a motion by Commissioner Guy Williams and seconded by Commissioner Joseph Scontrino, III, a resolution was adopted authorizing a change in the project's Managing General Partner, for St. Landry Place #06-14 Project; authorizing the Agency staff and counsel to prepare the forms of such documents and agreements as may be necessary; and providing for other matters in connection thereof. There being no further discussions or oppositions, the matter unanimously passed.**

**On a motion by Commissioner Guy Williams and seconded by Commissioner Robert Pernell, a resolution was adopted approving design feature requests made by the developers of Bayou Place I & II projects; and providing for other matters in connection thereof. There being no further discussions or oppositions, the matter unanimously passed.**

Wayne Neveu discussed the next time, an Amendment to QAP, briefly with the Board. He advised them that the item affects all projects under development, the projects must be at 25% construction, and the projects may return credits for future reallocations and get a revised PIS deadline date.

**On a motion by Commissioner Guy Williams and seconded by Commissioner Katie Anderson a resolution was adopted approving an Amendment to all Qualified Allocation Plans relating to the re-allocation of returned credits during construction; and providing for other matters in connection thereof. There being no further discussions or oppositions, the matter unanimously passed.**

Next item to be discussed was an update on the Lightning Round B Awards. It was noted that the matter did not require any Board action thereof.

Next item to be discussed was an update on the 2009 Per Capita QAP. Again, it was noted that the matter did not require any Board action thereof.

President Bailey did note that he wanted the 2009 QAP accelerated for March 2009 draft review so as to be able to conduct public hearings in March 2009.

## **OTHER BUSINESS**

The one item on the Agenda dealt with the protocol for Adding Items to the Agenda. Commissioner Airhart went over the parameters thereof. He noted that the matter was needed to ensure that all Board material was received by the BOC in a timely manner so that they would

have sufficient time to review the documents in order to make the best decision on actions thereof. He briefly noted that a similar protocol is utilized by the State Bond Commission.

Vice-Chair countered that she did not agree with the penalty of non-consideration of items if not placed on the Agenda prior to the actual meeting. Chairman Woods concurred noting that he felt there need to be some leeway thereof.

Commissioner Kennedy offered the suggestion that last minute items be placed for discussion only via directive of the Chairman.

After more discussion it was resolved that the resolution a written did take into effect everyone's previously stated concerns thereof.

**On a motion by Commissioner Michael Airhart and seconded by Commissioner Mayson Foster, a resolution was adopted regarding the timing and manner in which items may be added to the agenda for consideration before the Board of Commissioners; and providing for other matters in connection thereof. There being no further discussions or oppositions, the matter unanimously passed.**

Lastly, President Bailey reminded everyone that the LHFA would be having an Open House for 1<sup>st</sup> time homebuyers on Sunday, March 8<sup>th</sup>.

### **ADJOURNMENT**

There being no other matters to discuss, Commissioner Robert Pernell offered a motion for adjournment that was seconded by Commissioner Michael Airhart. There being no further discussion or opposition, the matter was unanimously passed. **The Full Board meeting adjourned at 2:40 PM.**

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Chairman

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Secretary