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# Louisiana Housing Finance Agency



## Financial Advisor Special Subcommittee

Michael L. Airhart, Chairman

January 19, 2010



# Louisiana Housing Finance Agency

January 12, 2010

## FINANCIAL ADVISOR RFP SPECIAL SUBCOMMITTEE

Notice is hereby given of a meeting of the Financial Advisor RFP Special Subcommittee to be held on **Tuesday, January 19, 2009, at 8:30 AM**, Louisiana Housing Finance Agency, **V. Jean Butler Board Room**, 2415 Quail Drive, Baton Rouge, LA by order of the Chairman.

### AGENDA

1. **Call to order, roll call and introduction of guests.**
2. **Approval of minutes from the December 9, 2009 Subcommittee Meeting.**
3. **Discussion and Recommendation of LHFA Financial Advisor.**
4. **Next Steps.**
5. **Other Business.**
6. **Adjournment.**

  
Milton J. Bailey, LHFA President

**If you require special services or accommodations, please contact Barry E. Brooks at (225) 763-8773 or via email [bbrooks@lhfa.state.la.us](mailto:bbrooks@lhfa.state.la.us)**

Pursuant to the provisions of LSA-R.S. 42:6.1, upon two-thirds vote of the members present, the Board of Commissioners of the Louisiana Housing Finance Agency may choose to enter Executive Session, and by this notice, the Agency reserves its right to go into Executive Session as provided by law.

**Financial Advisor RFP Special Committee Meeting Minutes  
Louisiana Housing Finance Agency  
Board of Commissioners**

**Wednesday, December 9, 2009  
2415 Quail Drive  
V. Jean Butler Board Room  
Baton Rouge, LA 70808  
8:30am**

**Members Present**

Single Family Committee Chair Michael L. Airhart  
LHFA President Milton Bailey  
Alice Washington obo Treasurer/Commissioner John Kennedy  
Commissioner Guy T. Williams

**Other Commissioners Present**

Mayson H. Foster  
Donald B. Vallee

**Members Absent**

Chair of LHFA BOC

**Legal Counsel Present**

Edselle Keith Cunningham, Jr.

**Staff Present**

Barry E. Brooks  
Anne Fulton  
Rene' Landry  
Brenda Evans  
Sydney Edmonston  
Tracy Roberts  
Jason Fowler

**Others Present**

Gordon King, GCLA  
Dr. Steve Holley, GCLA  
Nnamdi Thompson, GCLA  
Tim Rittenhouse, CSG Advisors

Jeanie Yarbrough, CSG Advisors  
Carliss Knisel, Hancock Bank

### **CALL TO ORDER**

SFC Chair Michael Airhart called the meeting to order at 8:30am; Board Coordinator Barry Brooks did the roll call; a quorum was established. There was no introduction of guests.

### **INTRODUCTION**

SFCC Airhart advised everyone that four (4) companies had responded to the Agency's RFP and said info had been forwarded to the Subcommittee Members. He noted that the Subcommittee had rounded the selection to three (3) of the companies and each would be doing individual presentations

Chair Airhart also acknowledged the presence of Newly Appointed and Sworn-In Commissioner Donald B. Vallee.

### **PRESENTATION**

First presentation was from CSG Advisors Incorporated.

Tim Rittenhouse went over their pricing parameters. He noted their pricing was fair and transparent and that fees are negotiable based on clients' needs. Also, that CSGAI was a top NHFA financial advisor with good technical bond structure and a goal of trying to save their clients' money. He noted his firm also does arbitrage analysis and was consistently rank high in the number of housing deals they facilitate.

Jeanine Yarborough noted the firm had a very seasoned and competent staff and had maintained good relationships with their underwriters. She noted her firm could offer broad access to various financial information along with in-depth senior advisors on staff. Additionally, she noted CSGAI had 15 housing professionals with 15 years of experience in bonds and tax credit programs. She went over the expertise of some of their senior staff, went over the company management structure, and noted that they are currently working with 25 HFA single family issuers.

Tim Rittenhouse furthered noting they were not as active in Multifamily Issues but have done work in Puerto Rico and Washington State HFAs; and that he has previous experience as an investment banker. Thereafter, he went over the materials presented in their proposal.

Chair Airhart thanked CSGAI for their presentation and inquired as to what was coming down the pipeline in 2010-2011. Mr. Rittenhouse replied that the challenge for most HFA's would be how to use their current resources to meet needs in a efficient and effective manner.

Commissioner Guy Williams noted that CSGAI had a good reputation, and inquired on the absorption of incidental expenses option.

Mr. Rittenhouse replied that their fee parameters could be structured to eliminate the need for such. Ms. Yarborough replied that said matters could be reduced by limiting the double coverage of having both she and Mr. Rittenhouse present at all LHFA meetings at the same time.

Commissioner Williams inquired as to whether they had lost any clients recently. Mr. Rittenhouse replied that they had actually acquired new clients (Iowa, Michigan, Puerto Rico).

Commissioner Williams also inquired on in-house versus outsourcing. Mr. Rittenhouse replied they were all in-house.

Commissioner Vallee inquired as to who their Louisiana clients were. Mr. Rittenhouse replied East Baton Rouge Mortgage Finance Authority and Public Housing Authority, and well as having worked with Jefferson Parish in 1980's and 90's.

### **APPROVAL OF MINUTES**

It was noted by Board Coordinator Barry Brooks that the Approval of Minutes on the Agenda had been inadvertently skipped.

**On a motion by Commissioner Guy T. Williams and seconded by President Milton J. Bailey, the minutes of the Special Subcommittee held December 2, 2009, were approved. There being no further discussions or oppositions, the motion passed unanimously.**

### **PRESENTATION**

Second presentation was from Caine Mitter.

Thomas Caine began by noting his family was form Louisiana, had 31 years of housing finance experience, started the firm in 1971, and then introduced his colleagues.

Mr. Caine continued giving background info on some of his other staff members and their related experience. He noted his firm's headquarters was in New York City.

Mr. Bronson Martin noted his work with Oregon, South Dakota, New Hampshire, North Dakota, and Kentucky HFA's; that he had been retained by Fannie Mae; that his goal is to keep his

clients competitive; that CM has proprietary software for quantitative consulting; and he went over the materials in their presentation binder.

Mr. Caine furthered noting that his firm consistently has helped HFA's lower rates, noted his firm's extensive market and trading knowledge, and that their goal was to help HFA's reduce their costs and expenses. He also noted that the Single Family fee is activity-based via an annual flat fee option. He thereafter went over the fee structure parameters, proposing a flat fee of \$450K annually with out of services based on activity.

Chair Airhart inquired as to why should his firm be chosen as the Agency's Financial Advisor. Mr. Caine noted his firm's staffing capabilities could take LHFA to a higher level of efficiency and that is firm was very attentive to their clients' needs.

Commissioner Williams inquired as to if they participated in outsourcing. Mr. Caine replied they were solely in-house and had proprietary software and that his staff are all cross-trained.

Commissioner Williams inquired if they had lost any clients due to the turbulent economic times. Mr. Caine replied that they had not lost any clients mainly due to their pro-client philosophy.

## **PRESENTATION**

Third and final presentation was from Government Consultants.

Gordon King introduced himself as President of Government Consultants. Accompanying him was Dr. Steve Holley and Mr. Nnamdi Thompson.

Mr. King noted his firm had ten (10) professionals with a combined total of 230 years experience with very diverse career backgrounds, education, and financial experience. He noted his firm has done lots of governmental advisor work for LHFA, Jefferson FHA, Mississippi Housing Corporation, and with a multitude of Louisiana municipalities.

Dr. Holley noted the firm represents the bulk of hurricane affected counties, parishes, and municipalities in the GO Zone affected states; that they were working to get more funding for housing initiatives; were working closely with Mississippi Governor Haley Barbour and Louisiana Congressman McCreary; he stressed how critical GO Zone benefits were to Louisiana; that he was born in Natchitoches; has rural and Delta Parishes development experience, and he recommended ways to increase rural area development.

Mr. King noted GC was a Louisiana based company and that he resides six (6) minutes from LHFA; that he was a former lobbyist and was very familiar with everyone at the State Capitol.

Chair Airhart thanked them for their presentation. He inquired if they were aware of any new programs that would be federally funded in 2010-2011. Mr. King noted primary funding thereof would be mainly from the GO Zone Extension initiatives.

Dr. Holley noted that there was currently a lot of discussion in many areas but that he did not believe there would be any true recovery for the possibly the next thirty (30) months, and he likewise stressed the importance of the GO Zone benefits.

Commissioner Williams inquired as to whether they were in-house or outsourcing. Dr. Holley replied they outsourced to Foley Landries.

Commissioner Vallee noted that Governor Barbour had converted funds from housing to other areas what was their stance on said matter. Dr. Holley noted that Governor Barbour position was based on funding for long-term economic development since most of the housing that was lost was located on the beach.

Commissioner Vallee inquired as to whether there was a housing shortage in Mississippi. Dr. Holley replied affirmatively, noting the major difficulty facing Mississippi was a shortage of jobs.

Chairman Airhart thanked them for their presentation.

#### **OTHER BUSINESS**

Chair Airhart informed everyone that the Subcommittee would be making a final selection recommendation at the January 19, 2010 BOCM.

#### **ADJOURNMENT**

There being no other matters to discuss, Commissioner Guy T. Williams offered a motion for adjournment that was seconded by Chair Michael L. Airhart. There being no further discussion or opposition, the matter was unanimously passed. **The Financial Advisor RFP Subcommittee adjourned at 9:41am.**

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Secretary



LOUISIANA HOUSING FINANCE AGENCY

FINANCIAL ADVISOR RFP SUBCOMMITTEE BOC MEETING

WEDNESDAY, DECEMBER 9, 2009 @ 8:30AM

Guest Sign-In Sheet

GUEST NAME

FIRM

PLEASE, PLEASE PRINT

- |    |                  |              |
|----|------------------|--------------|
| 1. | Gordon King      | GCLA         |
| 2. | Dr. Steve Colby  | "            |
| 3. | Nnamdi Thompson  | GCLA         |
| 4. | Tim RITTENHOUSE  | CSG ADVISORS |
| 5. | Jeanie Yarbrough | "            |
| 6. | Carissa Kinsel   | Hancock Bank |
| 7. | Sydney Edmonston | Staff        |
| 8. | Tracy Roberts    | Staff        |

**FA RFP SUBCOMMITTEE MEETING**  
**PLEASE PRINT CLEARLY**

**GUEST NAME**

**FIRM**

9.	<i>Rene Landry</i>	<i>Staff</i>
10.	<i>Jason Fowler</i>	<i>Staff</i>
11.	<i>Anne Fulton</i>	<i>Staff</i>
12.		
13.		
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21.		



John Kennedy

	Weighting & Adjusted Ind	Capital Score	Government Contracting Score	Government Contracting Score	Government Contracting Score
10	Small Entrepreneur and Disadvantage Businesses	10	10	10	10
9	Proposed Fees and Expenses	40	30	37	20
8	Presence in State of Louisiana	10	0	3	3
7	Special Capabilities	20	15	14	13
6	Computer Capabilities	10	10	10	10
5	Firms Commitment to Louisiana's economy and residents	10	7	6	6
4	Strategies for Underserved Markets, Diversity and Economic Development	25	20	19	20
3	Single Family MRR Experience	30	25	23	22
2	Louisiana Financial Advisor Experience	20	15	16	16
1	Financial Advisor Firm Overview, Staffing and Account Coverage	25	22	18	19
	<b>Totals</b>	<b>200</b>	<b>154</b>	<b>152</b>	<b>139</b>

Wilton Bailey

		Max Points	Caine Mitter & Associates, Inc.	CSG Advisors, Inc.	Government Consultants of LA, Inc.	First Southwest Company
<b>Evaluation Criteria</b>						
1	Financial Advisor Firm Overview, Staffing and Account Coverage	25	30 yrs experience - Ranked #1 in SE, S, NE, 95 by number of LA clients	Established relationship w/ Tom Lund, Rich Speer, etc. 10/19/92 - 13 yrs	10 yrs experience - some 1992 - 13 yrs	29 yrs. Family 44 years 5.2.13.8
2	Louisiana Financial Advisor Experience	20	Nat'l - LA since 04 Impressed w/ MF coverage Held SE exp.	LA since 1989, Member Save ERBP, No. 10, 10/19/92 - 13 yrs	Some in MS & LA Also some MF 1.8 B So. 10/19/92 - 13 yrs	Alaska, Alaska, NY, Colorado 35 years total 1.808 (see page 3)
3	Single Family MRB Experience	30	Ranked overall, teaching - identified 8, leverage MF, presence	Some experience state Missouri, Louisiana - state some presence - most state 20 yrs experience in - LA 6-3 field work, ERBP	Make difficult to identify past service - understand present in MS fully needed & service LW's work in LA	Regency Zone, Denver Baldwin Capital Fund, AR SE - 10/19/92 - 13 yrs
4	Strategies for Underserved Markets, Diversity and Economic Development <b>Not really specific on this</b>	25	No LA office direct presence	Full service capabilities - 1200 Fisking 29 98 SF & MF - worked only 1/1/92 HMW 22/1/98	Expensive in quality LAHIS Operating Redwood - 5000 Operating Redwood - 5000 with NIBP - 10/19/92 - 13 yrs	Nothing specific that speaks to underserved in Louisiana - can do state work
5	Firms Commitment to Louisiana's economy and residents	10	Cash flow & revenue 1200 Fisking 29 98 SF & MF - worked only 1/1/92 HMW 22/1/98	Office in Baton Rouge (3)	Good connections contacts Louisiana Banker - 10/19/92 - 13 yrs	Miami Analytical Banked 11 Mon 10/19/92 - 13 yrs
6	Computer Capabilities	10	NIBP consultant - enhance credit bank - 10/19/92 - 13 yrs	Office in Baton Rouge (3)	Office in B.R. - connected	No state presence
7	Special Capabilities	20	No state presence	Office in Baton Rouge (3)	Office in B.R. - connected	No state presence
8	Presence in State of Louisiana	10	Highly @ \$25 million	Best price proposal for agency consulting 10/19/92 - 13 yrs	Competitively priced \$49,000	Tentative ?
9	Proposed Fees and Expenses	40	\$32,500	NB Redwoodwood	30% inventory	
10	Small Entrepreneur and Disadvantage Businesses	10				
<b>Totals</b>		<b>200</b>	<b>135</b>	<b>175</b>	<b>140</b>	<b>90</b>

Report to MF - solid  
Purchased

14

Additional connecting  
110

6/14/92  
8:30 am

Giff  
W.

	Cain Miller	CSG	Government Cons
Professional Expertise	10	9	8
Local Cost	- 0 -	1	2
Special Ability	9	8	10
	10	8	6
	29	26	26
In home technology	2	2	0
Total	31	28	26