

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

**Wednesday, December 9, 2009
2415 Quail Drive
V. Jean Butler Board Room
Baton Rouge, LA 70808
12:00pm**

Commissioners Present

Guy T. Williams
Michael L. Airhart
Mayson H. Foster
Katie Anderson
Elsenia Young
John Kennedy
Tyrone A. Wilson
Jerome Boykin, Sr.
Donald B. Vallee

Commissioners Absent

Susan W. Sonnier
Allison A. Jones
Walter O. Guillory
Joseph Scontrino, III
J. Mark Madderra
Neal Miller

Legal Counsel Present

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

Staff Present

Barry E. Brooks
Milton Bailey
Charlette Minor
Loretta Wallace

Brenda Evans
Urshala Hamilton
Annie Clark
Roger Tijerino
Wendy Hall
Alex Stewart
Rene Landry
Louis Russell
Calvin Humble
Mary Antoon
Agnes Chambers
Pat Hampton
Jatis Harrington
Collette Mathis
Jeff DeGraff
Eddie Falgoust
Kip Anderson
Amy York
Joe Durnin
Janelle Dickey
Natasha Joseph

Others Present

See Sign-In Sheet Attachment

CALL TO ORDER

In the absence of the Chair and Vice-Chair, the BOC Secretary (LHFA President Milton J. Bailey) called the meeting to order at 12:05pm.

Thereafter, on a motion by Commissioner Katie Anderson and seconded by Commissioner Elsenia Young, Commissioner Guy T. Williams was nominated as Interim Board Chairman. There being no further discussions or oppositions, the motion passed unanimously.

Interim Chairman Guy T. Williams henceforth presided over and called the meeting to order at 12:06pm.

CHAIRMAN'S REPORT

Interim Chair Williams began the meeting by recognizing Newly Appointed Commissioner Donald B. Vallee. He advised the BOC that Commissioner Vallee has been duly Sworn-In earlier and was coming to the Board via appointment by Speaker of the House Tucker.

Next there was an introduction of guests (see sign-in sheet). Board Coordinator Barry Brooks did the roll call and a quorum was established.

Next item discussed was the cancellation or alternative date for the January 2010 BOCM due to LHFA staff and members of the BOC attending the NCSHA HFA Institute Conference in Washington DC from January 9-15, 2010.

On a motion by Commissioner Michael L. Airhart and seconded by Commissioner Elsenia Young, the previously scheduled Wednesday January 13, 2010 BOCM was moved to Tuesday, January 19, 2010, and providing for other matters in connection with the foregoing, was adopted. There being no further discussions, oppositions, or public comments the matter unanimously passed.

PRESIDENT'S REPORT

LHFA President Milton J. Bailey advised the BOC that he had recently returned from Washington DC and had met with members of the Congressional Delegation to discuss several pertinent pieces of pending legislation.

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 Katie Anderson and seconded by Commissioner Elsenia Young, the minutes of the Full Board Meeting held November 10, 2009, were approved. There being no further discussions or oppositions, the motion passed unanimously.

ENERGY ASSISTANCE COMMITTEE

EAC Chair Katie Anderson advised the BOC that the EAC had meet earlier but were unable to establish a quorum, received a report from LACAP representatives, and had no items needing BOC actions thereupon. She also noted that the Energy Program Updates were in the Board binders along with the LACAP monthly report.

EACC Anderson noted that LACAP had recently contracted with the Shaw Group to provide assistance in production monitoring, field monitoring, Davis-Bacon parameters, and tracking fiscal controls as well as ARRA reporting.

LEGAL COMMITTEE

Legal Committee Interim Chair Guy T. Williams noted that Vice-Chair Allison Jones was still recovering and would be returning to the BOC in January 2010. He noted the LC has met earlier and was recommending approval of resolution dealing with The Meadows.

On a motion by Commissioner Donald B. Vallee and seconded by Commissioner Katie Anderson, the resolution conditionally authorizing the removal of the General Partner, Olsen Securities Corporation, (OSC), from The Meadows, #07/08(FA)-37, (Intersection of McNeese & 5th Avenue, Lake Charles, Louisiana 70606) as stipulated in the 2006 and 2007/2008 forward allocation GO-Zone QAP by Louisiana Housing Finance Agency (the "Agency" or "LHFA") with respect to project's submitting a request for such removal of the managing General Partnership, and providing for other matters in connection with the foregoing, was adopted. There being no further discussions, oppositions, or public comments the matter unanimously passed.

SINGLE FAMILY COMMITTEE

SFC Chair Michael L. Airhart noted the SFC has met earlier.

Program Administrator Brenda Evans advised the BOC updates on the 2008A, 2009A, and Whole Loan Report was in their binders, noting also that the Agency had \$4.3M in reserves.

SFCC Airhart advised the BOCM that there would be \$157M for 2010 Allocations.

Financial Team Members Buck Landry and Tim Rittenhouse addressed the BOC and discussed the GSE Initiative parameters. They noted there was a rate lock on \$120M of the bonds; that the new program was about three (3) weeks old; and that bonds would be going into escrow in a taxable mode.

Mr. Landry furthered by giving a financial analysis of the aforementioned.

Mr. Rittenhouse noted the FT was recommending GSEI participation as it would be an interest rate savings and would lower the reinvestment costs for the Agency.

SFCC Airhart thanked the FT for their report and noted that future recommendations would be made during the January 2010 BOCM.

Next item on the Agenda, Discussion/Resolution regarding selection of Financial Advisor, was **POSTPONED** until the January 2010 BOCM, per SFCC Airhart.

Next item discussed as the RFP for Bond Counsel. SFCC Airhart requested a revision to the current Resolution to reflect the addition of the LHFA President or his designee and also the LHFA Financial Advisor for the Agency Finance Team as Subcommittee Members.

Commissioner Vallee inquired on the scoring criteria. SFCC Airhart noted that the same scoring criteria used for the selection of the Financial Advisor would be utilized thereupon.

Commissioner Vallee thereafter requested that said item be postponed until the end of the BOCM so that he could review the specifics thereof.

Next item discussed was the Agency Portfolio Performance from Master Services. SFCC Airhart and Ms. Evans gave a brief overview of the matter, noting no BOC action was needed, and the specifics thereof were in the binders.

Commissioner Vallee requested that the Underwriting parameters be more stringent and that he'd like further discussion on the matter at a later date.

SPECIAL PROGRAMS HOME COMMITTEE

Commissioner Tyrone Wilson noted that in the absence of SPHC Chair Joseph P. Scontrino, III, that he would giving the Committee's report.

SP Programs Administrator Loretta Wallace discussed the three (3) Resolutions on the SPHC Agenda. She advised the BOC that the matters had been discussed during the SPHC and that approval was being recommended.

First item discussed was the Resolution for a site change and removal of the office/community space for Evangeline Pointe Apartments. Ms. Wallace noted that the matter had been reviewed and the SPHC was recommending approval thereof.

Commissioner Foster inquired as to necessity for a site change.

Mr. Charles Tate, obo Evangeline Pointe, addressed the BOC and replied that the site change was needed because the City had approved the original project site, but then there were subsequent unforeseen issues including \$70K needed to extend the utility services. He noted the new site was only .7 miles from the nonprofit's headquarters.

Commissioner Anderson reminded the BOC that the project had been before them during the previous month's meeting.

On a motion by Commissioner Katie Anderson and seconded by Commissioner Elsenia Young, the resolution to conditionally grant a site change and allow the removal of the office/community space for Evangeline Pointe Apartments (Ville Platte, Louisiana), pending subsequent review of requested financial information, and granting an extension to close until February 26, 2010, and providing for other matters in connection with the foregoing, was adopted. There being no further discussions, oppositions, or public comments the matter unanimously passed.

Next item discussed was the Resolution requesting an extension for Unity Village. Ms. Wallace noted that the matter had been reviewed and the SPHC was recommending approval thereof.

On a motion by Commissioner Elsenia Young and seconded by Commissioner Katie Anderson, the resolution to grant an additional extension until February 10, 2010 for Unity Village (1222 East Maple Avenue, Eunice, Louisiana), and providing for other matters in connection with the foregoing, was adopted. There being no further discussions, oppositions, or public comments the matter unanimously passed.

The last item involved three projects requesting extensions pending environmental clearances. Ms. Wallace did request the Resolution be revised to reflect an extension date of January 19, 2010. She noted that the matters had been reviewed and the SPHC was recommending approval thereof.

On a motion by Commissioner Katie Anderson and seconded by Commissioner Elsenia Young, the resolution to grant an extension until January 19, 2010 for the James Herod (Israel Parker Drive, Abbeville, Louisiana), Park Ridge (1732 South Washington Street, Opelousas, Louisiana) and Cane Pointe Apartments (718 Bayard Street, New Iberia, Louisiana) until environmental clearance has been completed by the HOME Department, and providing for other matters in connection with the foregoing, was adopted. There being no further discussions, oppositions, or public comments the matter unanimously passed.

HOME Program Administrator Charlette Minor advised the BOC that the HOME Reconciliation Update report was in their binders.

Ms. Minor briefly went over the specifics for the Resolution regarding \$7.5M+ HOME funding. She noted that the parameters thereof were based on the Consolidated Plan.

On a motion by Commissioner Katie Anderson and seconded by Commissioner Elsenia Young, the resolution to authorize the Louisiana Housing Finance Agency (the "Agency") to implement and administer (\$7,561,824.00) of HOME funds for the HOME Notice of Funding 2009, of which (\$2,200,000.00) will be for owner occupied rehabilitation, (\$861,824.00) for permanent supportive housing, (\$500,000.00) for tenant based rental assistance, (\$2,000,000.00) for single family new construction, and (\$2,000,000.00) for multifamily rehabilitation, and providing for other matters in connection with the foregoing,

was adopted. There being no further discussions, oppositions, or public comments the matter unanimously passed.

Thereafter, Commissioner Vallee inquired as how would the \$2M for tenant based rental assistance be used with multifamily projects and the allocations there. Ms. Minor noted it would be based on public requests and the needs thereof; essentially that via an application the requesting entity would detail how they would utilize the funding. Commissioner Vallee inquired if fair market rents could be adjusted. Ms. Minor replied NO since fair market rents are under HUD jurisdiction, but that a request could be sent asking for a lower rent. Commissioner Anderson concurred with Ms. Minor noting that there were very stringent technical HUD formulas that set the fair market rent. Commissioner Vallee requested that the Agency might consider advocating for lowering fair market rents whenever possible.

MULTIFAMILY RENTAL HOUSING COMMITTEE REPORT

MFC Chair Guy T. Williams noted that the Committee had met earlier and that the first item to be discussed was a resolution regarding TCAP Funds and 1602 Funds. Ms. Evans went over the specifics of the resolution, noting staff was recommending approval thereof subject to F&V approvals.

On a motion by Commissioner Tyrone A. Wilson and Commissioner Katie Anderson, the resolution approving staff's recommended strategies for (i) awarding the balance of tax credit assistance funds ("TCAP Funds") granted to the Louisiana Housing Finance Agency (the "Agency") and (ii) permitting taxpayers to return pre-2009 credit allocations inefficiently syndicated in exchange for a sub grant of funds ("1602 Funds") made available by the United States Treasury Department to the Agency in lieu of low-income housing credits under the American Recovery and Reinvestment Act of 2009 (the "Recovery Act"); and providing for other matters in connection with the foregoing, was adopted. There being no further discussions, oppositions, or public comments the matter unanimously passed.

Next item to be discussed was the resolution regarding the contract for Asset Management Services.

Ms. Evans went over the specifics of the matter. She noted she would be working diligently with staff to ensure that projects are on schedule and draws are valid. Commissioner Vallee requested the scoring sheet and ranking info. Ms. Evans handed him said document.

Commissioner Kennedy inquired as to how much was the contract. Ms. Evans replied \$5K per asset review, though she was not sure of the eventual total costs thereof.

Commissioner Vallee noted that on a Board he currently serves on that the RFP's must prepare a performance contract sheet for review prior to any approvals thereof. Interim Chair Williams

advised him that the appropriate BOC committee does in fact look at contract details and that costs are paid for by the developers.

Ms. Evans advised the BOC that she would check on the total number of projects and what the estimated total costs of the contract would be.

Commissioner Kennedy inquired as to who the scoring team members were. Ms. Evans noted it was herself, Louis Johnson, Loretta Wallace, Urshala Hamilton, Collette Mathis, and Marjorianna Willman.

On a motion by Commissioner Michael L. Airhart and seconded by Commissioner Katie Anderson, the resolution to approve and authorize a contract between Louisiana Housing Finance Agency (the "Agency") and Foley and Judell to provide Asset Management Services for Low Income Housing Credit programs authorized by the American Recovery and Reinvestment Act ("ARRA"), and providing for other matters in connection with the foregoing, was adopted. There being no further discussions, oppositions, or public comments the matter unanimously passed.

Next item discussed was the resolution regarding Nine 27's request for increased developer fee. Ms. Evans noted that the request was from \$2.5M to \$2.8M. She thereafter went over the history/parameters of the project. Additionally, she noted that OCD had approved said increase and that OCD would be paying said developer fee, and that staff was recommending approval likewise.

Commissioner Foster inquired as to the need for said increase. Josh Cullen, with HR Properties, addressed the BOC noting the increase comprised mainly professional fees and third party costs, and that the exact costs were \$255,271. He also noted that the QAP allows for a 15% developer fee increase but they were only ask for 13%.

Commissioner Vallee requested the matter be sent back to staff for further analysis given it would be a precedent (per Ms. Evans). Interim Chair Williams countered that the MFC had reviewed the matter and felt that the exception should be made given the particulars of the project and also because OCD would be incurring said costs and that he did not want the matter deferred.

On a motion by Commissioner Donald B. Vallee and seconded by Commissioner Katie Anderson, the resolution authorizing the increase of the developer fee for project Nine 27 as stipulated in the 2007/2008 forward allocation GO-Zone QAP by Louisiana Housing Finance Agency; and providing for other matters in connection with the foregoing, was adopted. There being no further discussions, oppositions, or public comments the matter unanimously passed.

Next item discussed was the resolution dealing with strategies for additional 1602 Exchange Program. Ms. Evans went over the specifics parameter thereof. She noted that all of the

projects would be subject to F&V analysis, must close within ninety (90) days, and have no increased fees.

On a motion by Commissioner Mayson H. Foster and seconded by Commissioner Donald B. Vallee, the resolution providing the award of the Calendar Year 2009 Housing Ceiling to certain residential rental facilities; authorizing the Agency staff and counsel to prepare the forms of such documents and agreements as may be necessary to award 2009 housing credit dollar amounts to such facilities; providing for the award of Tax Credit Assistance Program Funds ("TCAP Funds") to certain of such residential rental facilities that have received awards of tax credits under the 2009 Qualified Allocation Plan; authorizing the Agency staff, General Counsel and Foley & Judell, L.L.P as the Agency's tax credit counsel to prepare the forms of such documents and agreements as may be necessary to award TCAP Funds in accordance with HUD Notice CPD-09-03 – REV issued May 4, 2009 but revised July 27, 2009 (the "HUD TCAP Notice"); and providing for other matters in connection with the foregoing, was adopted. There being no further discussions, oppositions, or public comments the matter unanimously passed.

Last item discussed was the resolution dealing with the extension of submission of Carryover Allocation Document requirements. Ms. Evans noted that December 15 2009 was the currently Carryover deadline and that staff was recommending it be extended until January 30, 2010.

On a motion by Commissioner Tyrone A. Wilson and seconded by Commissioner Donald B. Vallee, the resolution authorizing an extension of submission of Carryover Allocation Documentation requirements as stipulated in the 2009 QAP by Louisiana Housing Finance Agency (the "Agency") with respect to projects awarded under such QAP; authorizing an extension of the closing deadline to January 31, 2010 with respect to projects subject to a prior closing deadline in December 2009; and providing for other matters in connection with the foregoing, was adopted. There being no further discussions, oppositions, or public comments the matter unanimously passed.

SINGLE FAMILY COMMITTEE (item revisited)

SFC Chair Airhart discussed the Bond Counsel RFP matter. He noted that the only action being requested from BOC was to authorize the staff to release the RFP.

Commissioner Kennedy inquired as to who the review team would be and what the Bond Counsel selection process would be. It was noted it would be comprised of Single Family Committee Chair, Legal Committee Chair, LHFA President or designee, and the Financial Advisor Representative (Tim Rittenhouse), and that said Subcommittee would make a recommendation for Full Board approval. He also inquired as to where the RFP would be posted. Ms. Evans noted there would be advertisements in the Bond Buyer and the Red Book. He requested that staff get a list of other possible sites from the State Bond Office.

Commissioner Airhart also requested that advertisements be posted in the Times-Picayune and The Advocate.

On a motion by Commissioner Donald B. Vallee and seconded by Commissioner Michael L. Airhart, the resolution authorizing the Louisiana Housing Finance Agency (“Agency”) to issue a Request For Proposal (RFP), seeking proposals from a Bond Counsel Firm to serve as a member of the Single Family Finance Team. Furthering authorizing the creation of a review committee to review said proposals and make final recommendations to Single Family Committee for approval and recommendation to the full Board of Commissioners, and providing for other matters in connection with the foregoing, was adopted. There being no further discussions, oppositions, or public comments the matter unanimously passed.

OTHER BUSINESS

None

ADJOURNMENT

There being no other matters to discuss, Commissioner Tyrone A. Wilson offered a motion for adjournment that was seconded by Commissioner Katie Anderson. There being no further discussion or opposition, the matter was unanimously passed. **The Full Board meeting adjourned at 1:22 PM.**

Chairman

Secretary