

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

**Wednesday, October 13,, 2010
2415 Quail Drive
V. Jean Butler Board Room
Baton Rouge, LA 70808
12:00 p.m.**

Commissioners Present

Allison A. Jones
Michael L. Airhart
Guy T. Williams
Mayson H. Foster
Donald B. Vallee
Elsenia Young
Katie Anderson
J. Mark Madderra
Tyrone A. Wilson
Jerome Boykin, Sr.
John N. Kennedy
Joseph M. Scontrino, III
Adena R. Boris

Commissioners Absent

Neal P. Miller
Walter O. Guillory

Legal Counsel Present

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

Staff Present

Barry E. Brooks
Milton Bailey
Alesia Wilkins-Braxton
Charlette Minor
Loretta Wallace
Brenda Evans
Rebekah Ward
Annie Clark
Roger Tijerino
Wendy Hall
Alex Stewart
Rene Landry
Mary Antoon
Collette Mathis
Jeff DeGraff
Eddie Falgoust
Amy York
Joe Durnin
Marjorianna Willman

Others Present

See Sign-In Sheet

CALL TO ORDER

Chairwoman Jones called the meeting to order at 12:10pm; Board Coordinator Barry Brooks did the roll call; BC Brooks advised Chair Jones that a quorum was established. There was thereafter an introduction of guests.

APPROVAL OF MINUTES

On a motion by Commissioner Joseph M. Scontrino, III, and seconded by Commissioner Tyrone Wilson, the minutes of the Full Board Meeting held September 8, 2010, were approved. There being no further discussions or oppositions, the motion passed unanimously.

CHAIRMAN'S REPORT

Chair Jones noted the previous monthly record short meeting, and applauded then Interim Chair Guy T. Williams for orchestrating such a exemplary BOCM.

Chair Jones noted that the LHFA Strategic Planning Conference had been held on October 12th and that it was a good event that was planned to allow everyone tell the Agency what they feel should be included in the revised LHFA Strategic Plan; that information and comments compiled from the SPC would be discussed at the Nov 16-17 BOC Retreat; she noted there was still time within the next week to submit written comments to be considered for changes to the SP.

Chair Jones also expressed her concern that Lafitte Development modifications are causing her some concerns due to previous commitments when the demolition request was approved by the BOC; any changes not consistent with said previous commitments would be a breach of faith; she requested that matter be added to the November BOCM and that we invite all concerned parties to further discuss and/or resolve the matter(s).

Commissioner Donald Vallee noted that consideration should possibly be given to not only the stakeholders but also the public at large; but also that he does feel they should stick to their previous commitments, especially those made by Fred Tombar of HUD.

A directive was issued by Chairman Jones that the aforementioned item be added to the November BOCM Agenda.

Commissioner J. Mark Madderra noted that he would like any materials given to the BOC regarding the aforementioned matter(s) be distributed prior to the BOCM, including past, current, and future materials.

LHFA President Milton J. Bailey requested clarification as to the purpose of the future meeting. Chair Jones noted that no decisions would be made on the matter but that it would only be a venue for discussion with all parties involved in the matter.

President Bailey requested that any future public hearings held thereafter, be held in New Orleans so as to afford more input from the city's citizens and officials.

Chair Jones advised everyone that she is still working on the Asset Management Committee parameters and clarification for the November BOCM; and that she has authorized the RFP for the Property Manager in anticipation that the matter would fall under the AMC.

Chair Jones concluded noting that the BOC Retreat would be on November 16-17 at the LSU Lod Cook Center; and that info collected from the previous day's SPC and any future written comments would be considered by the BOC in completing the revised LHFA Strategic Plan.

Vice-Chairman Michael L. Airhart requested confirmation from Chair Jones that the AMC would be held at the November BOCM. Chair Jones replied affirmatively.

Let the record reflect that Commissioner Adena R. Boris and Commissioner Jerome Boykin, Sr., entered the meeting at 12:20pm and 12:30pm, respectively.

PRESIDENT'S REPORT

President Milton J. Bailey noted that in the interest of time that he'd reserve any comments for the November BOCR and/or BOCM. He advised everyone that the PIS and Exchange Program legislation was still pending in WashDC.

INTERNAL AUDIT COMMITTEE

IAC Joseph M. Scontrino, III, noted that IAC has met earlier, and that they had no discernible items to report. He did send kudos to CFO Mr. Rene Landry and his staff for doing an exemplary job handling the Agency's finances, and for having a five (5) year consecutive external audit review of ALL CLEAR!!

On a motion by Commissioner Donald B. Vallee and seconded by Commissioner Katie Anderson, the resolution was approved to accept the General Fund and Bond Programs audit results of the Louisiana Housing Finance Agency ("Agency") made by Duplantier, Hrapmann, Hogan, and Maher. The General Fund report entitled, "Schedule of Findings and Questioned Costs for the Year Ended June 30, 2010" is attached, indicating there were no findings. Additionally, there were no findings for the Bond Programs' audits; 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.

BUDGET AND FINANCE COMMITTEE

BFC Chair Mayson H. Foster noted that the BFC has met earlier and discussed the LHFA Procurement Policies. He noted that the matter did not need BOC approval as it could be handled at the Agency Administrative level either by the President or Vice-President. He did request that any item dealing with Professional Service Contract over \$10K be competitively bid, as opposed to the previously discussed threshold of \$5K.

On a motion by Commissioner Mayson H. Foster and seconded by Commissioner Tyrone Wilson, the BFC Agenda item entitled "Resolution to Adopt the LHFA Procurement Policies and Procedures", was REMOVED from the Agenda.

Next item discussed was the Fiscal 2010 Budget Variance Report. BFCC Foster noted that every operating expense came in under budget for 2010, and that there was a \$2,259,000 surplus.

Chair Jones complimented the staff for doing a great job.

BFCC Foster also extended thanks to Treasurer John Kennedy for his cost-cutting suggestions.

ENERGY ASSISTANCE COMMITTEE

EAC Chair Katie Anderson noted that the EAC had met earlier, and that the Energy Programs Activity reports were in the Board binders, and that there were no action items.

She also commended the staff and partners at LACAP. She noted that at the December BOC there would be a presentation on the Energy Assistance Programs.

SINGLE FAMILY COMMITTEE

SFC Chair Michael L. Airhart noted that the 2010A Program and Whole Loan Report was in the binders, and that the materials also included the delinquency loan rate info from US Bank, as previously requested by the Board.

SFCC Airhart noted that the delinquencies had increased and that they'd be further reviewed and monitored, with an update at the November BOCM.

Next item discussed was the resolution regarding the Indenture of Trust matter. Bond Counsel Wayne Neveu discussed the specifics of the matter including the draw downs from escrow parameters, amendment is mandatory, and that a Treasury fee would be accessed.

On a motion by Commissioner Joseph M. Scontrino, III, and seconded by Commissioner Katie Anderson, the resolution approving and authorizing the execution of an amendment to Indenture of Trust and the “*Modifications to the Supplemental Indenture Appendix for Use with Single Family Escrow and Single Family Immediate Issue Bonds for the HFA Initiative New Issue Bond Program*” in connection with the Louisiana Housing Finance Agency’s Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities Program; 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 \$50M sale of LHFA SFMRB. Program Administrator Brenda Evans went over the resolution specifics, noting that staff was recommending approval thereof. Mr. Neveu further discussed the parameter of the matter.

Thereafter, Commissioner Donald Vallee requested that there be more interaction between the BOC and the other Agency bond co-counsel.

On a motion by Commissioner Joseph M. Scontrino, III, and seconded by Commissioner Donald B. Vallee, the resolution accepting the parameter term proposal for the purchase of not exceeding Fifty Million Dollars (\$50,000,000) of Louisiana Housing Finance Agency Single Family Mortgage Revenue Bonds, in one or more series or sub-series; fixing the parameter terms of said bonds and otherwise providing with respect to said bonds; approving the form and directing the execution of the Bond Purchase Agreement for said

Bonds; 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.

Commissioner Scontrino inquired as to what the current rate was. Ms. Evans replied 3.95 was the current rate.

Next item discussed was the selection of Trustee matter. SFCC Airhart noted that the proposals had been received and ranked and scored by Agency Staff Attorney Keith Cunningham. They were as follows: 191 Hancock Bank, 183 Bank of New York Mellon, 165 US Bank, 144 Regions Bank. He advised that the SFC was selecting Hancock Bank as the Trustee.

Commissioner Vallee noted the exceptional qualities of the firms who submitted Trustee RFP proposals.

On a motion by Commissioner Donald B. Vallee and seconded by Commissioner Joseph M. Scontrino, III, the resolution approving and authorizing the selection of Hancock Bank as Trustee; 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 by SFCC Airhart was the Master Servicer resolution matter. He noted that there was a need to issue a new RFP

On a motion by Commissioner Donald B. Vallee and seconded by Commissioner Elsenia Young, the resolution authorizing the Louisiana Housing Finance Agency ("Agency") to cancel and re-release a Request for Proposals (RFP) seeking proposals from servicers and banking firms to serve as Master Servicer for the Single Family Finance Team; 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, it was noted by SFCC Airhart that the current Master Servicer, Standard Mortgage, had offered their assistance in drafting the new RFP. He also asked Ms. Evans to send the draft to Richard Wolcott at Standard Mortgage.

General Counsel Terri Ricks and Commissioner Tyrone Wilson requested that SM could participate as long as they did not participate and send in a proposal for the new RFP.

Commissioner Vallee noted that he'd like to meet with SM to ascertain why they did not rebid and what their future endeavors were.

SFCC Airhart further discussed the reasoning for the need to revise the RFP.

Mr. Wolcott advised the BOC that he was not sure if SM would respond to the new RFP or not, and that even if they did not respond they still had pending Master Servicer projects with LHFA.

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 the AIA Certified Architect to analyze Superior Design. He noted that three firms had been selected for further review by the BOC Chair and MFC Chair.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner J. Mark Madderra, the resolution awarding the contract for the Architect for review of Superior Design; and providing for other matters in connection with the foregoing, was adopted.

The three firms referenced above are: Le Architect in Baton Rouge, Ehlinger in Metairie, and Ashe Broussard in Metairie.

There was further discussion amongst the BOC on the above matter. It was resolved that a third member would be added to the AIA CA selection team. The third person would be selected at the sole discretion of BOC Chairwoman Jones.

On a motion by Commissioner Donald B. Vallee and seconded by Commissioner Katie Anderson, the resolution awarding the contract for the Architect for review of Superior Design; and providing for other matters in connection therewith, was amended to reflect the selection by the BOC Chair of a third person in addition to the MFC Chair to review said matter and make the selection thereof; 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 approving the Fifth Competitive Tax Credit Assistance Program (TCAP) Round. MFCC Williams briefly went over the specifics of the matter, and noted that the MFRHC was recommending approval.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Katie Anderson, the resolution approving staff's recommended strategies for awarding the balance of tax credit assistance funds ("TCAP Funds") granted to the Louisiana Housing Finance Agency (the "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 2010 LIHTC Funding Round. MFCC Williams briefly went over the specifics of the matter. Ms. Evans noted that the preliminary scores would be posted on

October 27th, and that market studies would be due on October 20th. She noted there had been 83 applications received, \$79.6M in tax credit requests, inclusive of GO Zone applications.

OTHER BUSINESS

Mr. Ray Rose of Live Oaks addressed the BOC regarding his late tax credit application submission, and subsequent denial of application by the Agency. He stated that the matter met IRS postmark guidelines and QAP parameters; he said he believes that IRS regulations supersede the Agency's guidelines; and that he was aware that 21 applicants did not publish for seven (7) calendar days prior as required.

Mr. Vic Larosa from Live Oaks also addressed the BOC regarding the same matter. He noted his previous development experienced in developing full scattered sites. He read from a prepared statement thereafter.

Chair Jones noted that there had been no exceptions made to the QAP guidelines; and that non-compliance was grounds for disqualification.

Commissioner Vallee requested clarification on denial basis solely on delivery guidelines.

GC Ricks advised that in the past QAP a postmark was sufficient, however in the new QAP it only allowed for timely physical delivery.

Chair Jones discussed the various adjudicatory parameters options.

Commissioner Vallee requested denial be done by the BOC; and that he wants to process the application pending possible court proceedings.

Chair Jones advised that once the application is accepted you have no other recourse except to process it, and that would open up notification from others to partake in a similar stipulation.

GC Ricks advised that the IRS notice previously referenced by Mr. Rose was not applicable in this particular dilemma; and she strongly advised the BOC not to overrule the Agency decision.

After some further discussions, Chair Jones noted that the BOC would be taking any action on the matter.

Commissioner Madderra requested that any and all info regarding Lafitte be prepared and analyzed in preps of the November discussion on said matter.

Charles Tate requested to address the BOC. He inquired on the current NOFA Rural HOME RFP was authorizing to match hurricane funding to affordability from 80 to 40/50. He continued various discussions on the matter. He also advised the BOC of three impediments needing

flexibility: 1) use of hurricane matching funds, 2) use same market survey that was used two years ago, and 3) in lieu of local support letters that other documents be accepted.

Chair Jones advised that he go ahead and submit his application for the NOFA Rural HOME RFP and challenge later instead of not submitting.

There were further discussions between Mr. Tate and the BOC.

Chair Jones inquired as to whether the representatives from Unity Village still needed to address the BOC. Mr. Al Gatlin replied that they had found a bank and no longer an extension.

Mr. Mark Turrentine reminder the BOC of the LAAHP cocktail reception at 5:00pm at Juban's Restaurant, and extended an invitation to all.

Ms. Leatrice Hollis addressed the BOC noting that she had worked with the HTF and thanks the Agency for helping them with the funding gaps.

ADJOURNMENT

There being no other matters to discuss, Commissioner Joseph M. Scontrino, III, offered a motion for adjournment that was seconded by Commissioner Elsenia Young. There being no further discussion or opposition, the matter was unanimously passed. **The Full Board meeting adjourned at 1:23 PM.**

Chairman

Secretary