

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

**Wednesday, July 13, 2011
2415 Quail Drive
V. Jean Butler Board Room
Baton Rouge, LA 70808
12:00 p.m.**

Commissioners Present

Allison A. Jones
Katie Anderson
Adena R. Boris
Jerome Boykin, Sr.
Mayson H. Foster
Neal P. Miller
Joseph M. Scontrino, III
Frank H. Thaxton, III
Donald B. Vallee
Alice Washington obo John N. Kennedy
Elsenia Young

Commissioners Absent

Michael L. Airhart
Guy T. Williams

Staff Present

Barry E. Brooks
Alesia Wilkins-Braxton
Brenda Evans
Loretta Wallace
Rebekah Ward

Rene Landry
Mary Antoon
Marjorianna Willman
Ricky Patterson
Joseph Durnin
Ruth Wesley
Collette Mathis
Danny Veals
Jeff DeGraff
Eva Martinez
Mary Brooks
Louis Russell
Edselle Keith Cunningham, Jr.
Christine Bratkowski
Leslie C. Strahan
Jessica Guinn

Others Present

See Sign-In Sheet

CALL TO ORDER

Chairperson Allison A. Jones called the meeting to order at 12:11pm. Board Secretary and Coordinator Barry E. Brooks called the roll; there was a quorum. There was thereafter an introduction of guests.

APPROVAL OF MINUTES

Commissioner Joseph M. Scontrino, III, requested a revision be made to the July 13, 2011, Full Board Meeting Minutes reflective of his having been present.

On a motion by Commissioner Donald B. Vallee seconded by Commissioner Neal P. Miller, the Minutes of the Full Board Meeting held July 13, 2011, were approved unanimously, pending a revision reflecting the presence of Commissioner Joseph M. Scontrino, III, at the Full Board Meeting.

CHAIRPERSON'S REPORT

Chair Jones advised the BOC of the recent resignations of Agency General Counsel Terri Ricks and Policy Director Annie Clark. She thanked them for their service to the Agency and the State.

Chair Jones next advised the BOC that the HUD Section 8 Contract had not been renewed, and that a debriefing conference to discuss the scoring parameters was scheduled for July 19th. At such time, HUD would be discussing why the Agency had not been selected. She thanked the LHFA Contract Administration staff for their good work and excellent audit findings, and also noted that the BOC applauds their past job performance and excellent work.

Next item discussed was an update on the Louisiana Housing Corporation Transition Committee.

Chair Jones noted that the LHC TC was composed of Speaker of the House Jim Tucker, Commissioner of Administration Paul Rainwater, Senator Lydia Jackson as designee for Senate President Joel Chaisson, and herself as Chair of the LHFA. She also noted that LHFA Acting President Alesia Wilkins-Braxton will also be in attendance at the TC's first meeting, and thereafter a report of the meeting will be disseminated to the BOC.

Chair Jones also noted that the TC's Plan was due by December 15, 2011, with her goal of participation being specifically "...the mission of affordable housing and how to provide the best services now with disaster recovery as that merges in. And so those will always be my priorities."

She noted that there would be a tremendous amount of change over the next six (6) months, and that the transition should be seen as a proactive opportunity for change.

Commissioner Donald B. Vallee noted that regarding the HUD Section 8 Contract matter, that 28 other agencies in the nation were not renewed also; he noted that LHFA had submitted the lowest priced bid; that Contract Administration is the most profitable branch of LHFA; and he asked that the application submitted be reviewed. Agency Staff Attorney Keith Cunningham advised that the application had been reviewed, but additional review(s) was still pending the upcoming debriefing conversation with HUD.

Commissioner Vallee requested a group be put together to look at staffing and operations due to the loss of the \$25M allocated to the State Treasury and the loss of revenues from the HUD Section 8 contract. He also noted his concern that the entire Agency staff not be present during the upcoming LHC TC meeting at the Capitol, as previously witnessed. Chair Jones advised him that staff's presence was there at the Governor's request.

Commissioner Mayson H. Foster advised that CFO Rene Landry was putting together a packet that would address staffing and operations minus the revenue from the HUD Section 8 contract, and that he'd be in attendance at the LHC TC along with Commissioner Jerome Boykin, Sr., and that reports from both would be given at the August BOCM.

Chair Jones advised that since the LHC TC would be setting timelines at their upcoming initial meeting, any reports should be held until the August BOCM or per a directive from the LHC TC.

Commissioner Vallee requested "...Madame Chair, I wasn't quite finished with your comment relative to the Transition Committee meeting that you serve in the capacity as the Chair of this Board in representing our interests to that committee, communicating to it our interests as well as back to us. So I'd appreciate if we could have a written report on a weekly basis at least timely five (5) or seven (7) days no greater from you as to the outcome of that meeting and that if we have things that we'd like conveyed to the Transition Committee we can use that and you through that services."

Chair Jones replied "...Your request is noted."

Commissioner Vallee inquired as to why the TC was a public meeting. Chair Jones replied that the Open Meetings Law dictates such.

VICE-PRESIDENT'S REPORT

Acting-President Alesia Wilkins-Braxton noted she felt Program Administrator Loretta Wallace and her Section 8 Contract Administration staff had done an exemplary job on the work they did for HUD, and that she was in discussions with other states and the NCSHA in preparations for the July 19th Debriefing.

MULTIFAMILY RENTAL HOUSING COMMITTEE

In the absence of MFC Chair Guy T. Williams, Chair Jones thanked Commissioner Adena R. Boris for chairing the MFC.

MFC Interim Chair Boris noted that the Committee had met earlier and that they had discussed four (4) resolutions of which two (2) passed and two (2) were being deferred to Full Board.

Commissioner Vallee interjected that he would like to move points up in the QAP, and that he had conferred with MFC Chair Williams and had been asked to defer said matter to the August BOCM as "...there may be other possible solutions to the problem."

The first item to be discussed was a resolution regarding the Burnette Place Subdivision Project, of which Interim Chair Boris noted that the Committee was recommending approval.

Ms. Wallace briefly went over the specifics thereof noting the project was located in Houma, and that the MFC and staff was recommending approval.

On a motion by Commissioner Donald B. Vallee and seconded by Commissioner Katie Anderson, the resolution accepting the proposal of Duncan Williams or such other purchaser as may be designated by the Developer for the purchase of not to exceed Four Million One Hundred Thousand Dollars (\$4,100,000) Louisiana Housing Finance Agency

Multifamily Housing Revenue Bonds (Burnette Place Subdivision 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 with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

Next item discussed was the resolution regarding The Garden Senior Apartments Project.

Ms. Wallace briefly went over the specifics thereof noting the project was located in Baton Rouge, was a 129 unit Section 8 development, and that the MFC and staff was recommending approval.

On a motion by Commissioner Donald B. Vallee and seconded by Commissioner Katie Anderson, the resolution of intention to issue not exceeding Seventeen Million, Eight Hundred Sixty Thousand Dollars (\$17,860,000) Multifamily Housing Revenue Bonds (Renaissance Gateway Project) in one or more series to finance the acquisition, construction, rehabilitation and equipping of a multifamily housing development within the State of Louisiana; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

Next item discussed was the resolution regarding the selection of the Low Income Housing Tax Credit Program Market Analysis. Interim Chair Boris advised everyone that the matter has been deferred from the MFC to the Full Board due to lack of a quorum.

Commissioner Vallee requested staff provide him with info as to why there were only two (2) Louisiana companies amongst the eleven (11) applications received

On a motion by Commissioner Donald B. Vallee and seconded by Commissioner Katie Anderson, the resolution allowing staff to make offers to award contracts for Market Analysts; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed with one (1) NO vote from Commissioner Frank H. Thaxton, III.

Next item discussed was The Gardens Senior Apartments Project, which had also been deferred from the MFC due to lack of a quorum to the Full Board.

Mr. Donnie Crawford and Mr. Crawford Lewis representing the Humanities Foundation addressed The Garden Senior Apartments (TGSA). They noted they had developments in South Carolina (1000 units) and Virginia (200 units) and Prairieville (60 units), and that TGSA would be their 2nd Louisiana project. They also advised the BOC that their local property management firm would most likely be Latter and Blum.

Commissioner Vallee requested that at a later date Mr. Crawford and Mr. Lewis come back and given a presentation on all of their projects.

On a motion by Commissioner Donald B. Vallee and seconded by Commissioner Katie Anderson, the resolution of intention to issue not exceeding Four Million, Five Hundred Thousand Dollars (\$4,500,000) Multifamily Housing Revenue Bonds (The Garden Senior Apartments Project, East Baton Rouge Parish) in one or more series to finance the acquisition, construction and equipping of a multifamily housing development within the State of Louisiana; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

Interim Chair Boris noted that the last two items on the agenda, Update on 2011/2012 Funding Round and Update on Status of LIHTC, were both on track and progressing well.

INTERNAL AUDIT COMMITTEE

Internal Audit Committee Chair Elsenia Young noted that the Committee had met earlier, and that the first item to be discussed was the resolution regarding the Louisiana Audit Compliance Questionnaire for Audit Engagements of Governmental Entities.

On a motion by Commissioner Donald B. Vallee and seconded by Commissioner Elsenia Young, the resolution to adopt the completed Louisiana Compliance Questionnaire for Audit Engagements of Governmental Entities, attached as Exhibit A; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

ASSET MANAGEMENT COMMITTEE

Asset Management Committee Chair Donald B. Vallee noted that the Committee had met earlier, and had gone paperless with their meeting materials.

Chair Vallee noted that the paperless meeting went very well via using a combination of touch screens, laptops, and computers. In conclusion, he jokingly noted that by going paperless the AMC had saved the Agency enough money that they were going to buy more computers for the AMC.

ENERGY ASSISTANCE COMMITTEE

Energy Assistance Committee (EAC) Chair Katie Anderson noted that the Committee had met earlier, had no action items to discuss, and that the Energy Programs Activity reports were in the Board binders.

Chair Anderson also advised that there were some pending production issues with LACAP that were being addressed for a quick resolve and she was considering having a Special EAC meeting to address the matters. She furthered noting "...We do have a performance based contract with that partner, which is LACAP. They have in turn have performance contracts with those agencies out there. And we are intending to enforce those and ensure that the funds get spend in the best way and as quickly as possible. Our goal is to not return any money at anytime and we are working really hard to meet that goal."

SINGLE FAMILY COMMITTEE

Single Family Committee Chair Joseph M. Scontrino, III, noted that the Committee had met earlier, and had no action items.

Program Administrator Brenda Evans discussed the 2011A Program Update and Whole Loan Report matters.

Ms. Evans also advised that the conversion to Bank of America from Standard Mortgage was progressing well and that unfortunately BOA was unable to send a representative to address the Board; and that there would be another update at the August BOCM.

Last item discussed was the proposed Morgan Keegan "Turnkey" Mortgage Origination Program.

Ms. Evans synopsised the Morgan Keegan Turnkey MOP, noting there were no risk or added costs with potential revenues, and that the SFC was recommending approval to direct staff to explore the matter further.

On a motion by Commissioner Joseph M. Scontrino, III, and seconded by Commissioner Katie Anderson, the Board approved allowing the staff to initiate the proposed Morgan Keegan Turnkey Mortgage Origination Program; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

Chair Scontrino lastly noted that weekly discussions were being held with the staff and the Finance Team regarding market and interest rate changes.

MFC COMMITTEE (continued)

Chair Jones advised one item remaining under the MFC Agenda, a resolution regarding Cypress Springs Senior Apartments, had been pulled off the agenda by staff for further discussions.

SPECIAL PROGRAMS COMMITTEE

Special Programs Committee (SPC) Chair Neal P. Miller noted that the Committee had met earlier, but were unable to establish a quorum.

Chair Miller noted that the HOME Reconciliation Update Report was in the Board binders.

Next he noted that an update had been provided on the 202's and the SPC was requesting that the Agency ask the owner to hire a project manager subject to Legal staff's opinion that requests can be made on behalf of the Agency and HUD as a partner in the Defaulted 202's.

Commissioner Vallee discussed the 202's extension of payments from HUD, noting that repayment was dependent upon the developer (The Archdiocese of New Orleans) financing and completing the project, and that he was recommending requiring the developer hire a project manager to get the projects moving forward to completion.

Chair Miller noted that one (1) of the six (6) projects was 90% complete, and that he would like one of the staff attorneys to require a property manager to do a report on the projects' timelines.

Chair Jones reiterated the request to reflect that Legal send to each developer on page SPH 20-A in the Board binders, a request to get a project manager to do a detailed report of the projects and critical timelines on the projects.

Commissioner Vallee offered a substitute motion, noting that projects that are under the AMC have very extensively detailed reports and that the same should be followed for the projects in question.

Chair Jones noted that said parameters were included in the pending motion.

On a motion by Commissioner Joseph M. Scontrino, III, and seconded by Commissioner Katie Anderson, the motion to direct the Legal staff to send to each developer on page SPH 20-A, a letter requesting a status of the development from a project manager, which status report shall include but not be limited to a timetable, and the status of certain benchmarks as determined by the Chair of Special Programs Committee; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

Next resolution discussed was the proposed amendment to the Housing Trust Fund Guidelines to reduce the housing payment amount from 20% to 19% of the buyer household's gross monthly income and to allow projects to lease-to-own units.

Chair Miller advised that the SPC was recommending denial of the aforementioned resolution.

Commissioner Foster inquired as to why the matter had been denied by the SPC. Ms. Wallace advised it was because the HTF Advisory Council had requested it be present to the Full Board.

Commissioner Anderson inquired as to why the matter had been rejected by the SPC.

Chair Miller advised that it had been noted during the SPC meeting that there were alternative options to the ones as proposed in the resolution. Commissioner Scontrino furthered, noting that the change was to affect one (1) particular project and was therefore not a meritable recommendation.

On a motion by Commissioner Donald B. Vallee and seconded by Commissioner Neal P. Miller, the resolution to amend the Housing Trust Fund Guidelines to allow 1) cost-based developer subsidy projects to reduce the housing payment amount from 20% to 19% of the buyer household's gross monthly income; and 2) to allow projects to lease-to-own units; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter was DENIED unanimously.

Next resolution regarding an extension of one (1) year on all Housing Trust Fund homeownership developments that are having difficulties selling units upon completion to qualified buyers, was **DEFERRED** by the SPH per Chair Miller.

Next item discussed was the resolution regarding Cane Pointe and James A. Herod Developments.

Chair Miller advised the matter was not approved by SPH due to loss of a quorum, but that he was recommending approval thereof.

Mr. Charles Tate addressed the BOC and inquired on LHFA having a mortgage over the entire development including those that were funded by CDBG funds.

Bond Attorney Wayne Neveu replied "...I think the Agency will continue to have its mortgage subordinated to OCD's mortgage but in addition to the mortgage, the owner/taxpayer will pledge its ownership interest across both phases to the LHFA."

On motion by Commissioner Neal P. Miller and seconded by Commissioner Donald Vallee, the resolution allowing LHFA to obtain an ownership interest in Phase II for Cane Pointe and James A. Herod developments and authorizing a subordination of LHFA's Housing Trust Fund and HOME mortgages for Phase I of Cane Pointe and James A. Herod developments in favor of the Louisiana Office of Community Development in order to allow the developer to obtain additional funding to stabilize the projects; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

OTHER BUSINESS

Commissioner Miller extended a compliment to Commissioner Vallee on his knowledge, effort, time spent on Board matters, and for his guidance during committee meetings.

ADJOURNMENT

There being no other matters to discuss, Commissioner Katie Anderson, offered a motion for adjournment that was seconded by Commissioner Donald B. Vallee. There being no discussion or opposition, the matter was unanimously passed.

The Full Board meeting adjourned at 1:13 PM.

Chairperson

Secretary