

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

**Wednesday, December 8, 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
Donald B. Vallee
Elsenia Young
Katie Anderson
J. Mark Madderra
Jerome Boykin, Sr.
John N. Kennedy
Joseph M. Scontrino, III
Adena R. Boris
Neal P. Miller
Mayson H. Foster
Tyrone A. Wilson
Frank H. Thaxton, III

Commissioners Absent

N/A

Legal Counsel Present

Wayne Neveu, Foley & Judell
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 12:35pm; 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 Guy T. Williams, and seconded by Commissioner Katie Anderson, the minutes of the Full Board Meeting held November 10, 2010, were approved. There being no further discussions or oppositions, the motion passed unanimously.

CHAIRMAN'S REPORT

Chairwoman Jones advised everyone that the meeting would begin with a presentation to outgoing Commissioner Mark Madderra. Chair Jones noted that Commissioner Madderra was the first commissioner she met when she was appointed; that she considered him a good

commissioner and great friend; that she'd served with him pre and post Katrina/Ike/Gustave Hurricanes; she thereafter read from a proclamation from Governor Bobby Jindal as well as a plaque from the LHFA and BOC.

Commissioner Madderra noted that his time and experience on the BOC was perhaps one of the most rewarding and important aspects of his life.

Chair Jones introduced the Newly Appointed Commissioner Frank H. Thaxton, III. She noted that he had been officially sworn in during the November 16-17 BOC Retreat.

Commissioner Thaxton extended accolades to Commissioner Madderra for his skill, intellect, patience, and for being a good role model. He acknowledged the great LHFA staff he'd come into contact with and with the BOC, and that he was looking forward to making the Agency stronger and better.

Chair Jones gave a synopsis of the November 16-17 BOC Retreat. She also noted that there would be a January 2011 draft of the three-year new Strategic Plan, and a proposed draft would be sent out to soon. She noted there had been great discussions by everyone who participated during the two-day event.

Chair Jones suggested attendance at the January NCSHA HFAI event in WashDC. Accordingly, there would be a change in the January 2011 BOCM from January 12 to January 19.

On a motion by Commissioner Mayson H. Foster and seconded by Commissioner Elsenia Young, the BOC approved moving the January 12th 2011 BOCM to January 19th 2011; 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 the forming of the Asset Management Committee.

On a motion by Commissioner Katie Anderson and seconded by Commissioner Tyrone A. Wilson, the BOC adopted replacing the resolution that passed on September 8, 2010, with this substitute resolution which authorizes the creation of a Standing Committee of the Board of Commissioners (the "Board"), which shall be called the "Asset Management Committee", which shall have primary oversight over Agency-owned real property, and Agency-owned buildings; to add to the jurisdiction of the Finance Committee to advise the Board relative to the Agency's general fund investment policy; and to provide for other matters in connection therewith.

Commissioner Airhart thereafter requested clarity of the resolution.

Chair Jones went over the specifics of the resolution to clarify that GFI would remain under the Budget and Finance Committee, and that she wanted BFC and AMC to work in sync.

Commissioner Donald B. Vallee inquired on the formulation of the Asset Management Department within the Agency; that he thinks it will eventually grow and oversee all of the agency's assets including vehicles and computers.

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

Due to having not started timely, Chair Jones requested that the MFC be moved as the next Agenda item

On a motion by Commissioner Donald B. Vallee and seconded by Commissioner Katie Anderson, the BOC approved altering the Agenda to move MFC as one of the next discussion items. There being no further discussions, oppositions, or public comments the matter unanimously passed.

PRESIDENT'S REPORT

President Milton J. Bailey noted his ongoing discussions with Treasury and would hopefully have more information during the January 2011 BOCM. Chair Jones expressed her optimism as to the passage of the legislations.

MULTIFAMILY RENTAL HOUSING COMMITTEE

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 Mallard Crossing Apartments, and that the Committee was recommending approval of said matter.

Program Administrator Loretta Wallace briefly went over the specifics of the matter.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Katie Anderson, the resolution accepting the proposal of Merchant Capital, L.L.C. or such other purchaser as may be designated by the Agency or the initial owner/operator of the Mallard Crossing Apartments for the purchase of not exceeding Fourteen Million, One Hundred Seven Thousand Dollars (\$14,107,000) Louisiana Housing Finance Agency Multifamily Housing Revenue Bonds (Mallard Crossing Apartments 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 adopted. There being no further discussions, oppositions, or public comments the matter unanimously passed.

Program Administrator Brenda Evans next discussed the resolution regarding the Cypress Trails, and noted that the staff was recommending postponing the approval of the change in the managing general partner until pending further review and information from HUD. MFCC Williams noted that the Committee was in concurrence thereof.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Katie Anderson, the resolution authorizing a change in the managing general partner for the Cypress Trails was approved. There were thereafter further discussions on the matter.

Commissioner Vallee inquired as to how in depth the review would be and also what the status of the Lafayette Housing Board was.

Ms. Evans noted that unit configuration had changed from 80 to 72, and that the matter must still meet the F&V analysis review. She also noted that the number of buildings had changed from 10 to 18, most likely due to a typographical error.

Mr. Greg Gachassin addressed the BOC, representing Cypress Trails Limited Partnership. He noted that the request was more of a removal and not so much a full substitution.

Commissioner Vallee noted he'd prefer having HUD's opinion on the matter.

MFCC Williams noted that seven days had been requested and that the Agency was giving ten days, and if thereafter HUD did not object the matter would move forward.

Commissioner Vallee inquired further, asking if the motion required HUD's approval. Chair Jones noted that failure by HUD to object would be deemed approval. Commissioner Vallee noted he'd prefer formal approval from HUD.

Commissioner Vallee offered an Amendment Motion, requiring the aforementioned matter be conditioned upon affirmative approval from HUD. The matter DIED, due to lack of a second vote.

Commissioner Anderson noted that one of the issues involved in the pending matter(s) with Lafayette Housing Authority was that there was no one available with authority at LHA, so any contact would have to be made with HUD Regional Authority; and that the HUDRA can't make a Board decision since LHA was not in receivership; hence the request still needs to be made to HUD for their opinion on the matter.

Commissioner Vallee noted his concern about potential possible future litigation.

Commissioner Anderson noted the HOME funds would be lost if the project does not close; and that she was fully aware of HUD's supporting the project going forward.

Commissioner John Kennedy inquired as to if anyone has spoken directly with HUD on the matter. Commissioner Anderson noted that as PHA liaison, she had spoken with Justin Hornsby.

Commissioner Kennedy noted that he anticipated HUD will take over LHFA and provide major oversight.

Commissioner Neal Miller inquired as to what was the cost effect associated with the change from 80 units to 72 units.

Mr. Gachassin went over the historical aspects of the projects; he noted it was a clerical error in the unit numbers originally put on the application; and that the F&V analysis had been approved, including staff due diligence.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Katie Anderson, the resolution authorizing the Removal of the Managing General Partnership, Lafayette Low Income Housing Management Corporation (LLIHMC), from Cypress Trails Apartments, #09(PC)-51, (located at 810 Moss Street, Lafayette, Louisiana) as stipulated in the 2009 Qualified Allocation Plan (QAP) by Louisiana Housing Finance Agency with respect to project submitting a request for such removal of the managing general partnership contingent upon HUD not objecting to the removal on or before December 20, 2010, a satisfactory feasibility/viability analysis and final approval by the Board Chair, Multifamily Chair and Agency President; authorizing the change in the building/unit configuration; 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 Funding Round. Ms. Evans went over the parameters of the matter, and that staff was recommending approvals thereof. She also discussed possible future funding options.

MFCC Williams noted that LAHPP will come back at a later date with a proposal for non-refundable extension fee options.

Commissioner Vallee noted he did not feel any projects should be made pending the February 15, 2011 Market Study in New Orleans area.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Katie Anderson, the resolution approving the final rankings of applicants under the 2010 Qualified Allocation Plan Ceiling to certain residential rental facilities; 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, Mr. Neal Morris addressed the BOC regarding how credits were awarded, and in particular how the sub-pool projects were awarded. MFCC Williams advised him that the

highest scoring projects were the ones that had been awarded, which was subsequently concurred upon by Agency Bond Counsel Wayne Neveu. Additionally, Mr. Neveu noted that the staff's process did not contradict current QAP guidelines.

Thereafter, Mr. Charles Tate addressed the BOC regarding how points were awarded for Superior Design; he also noted that the RFP denotes superior design standards were not defined and would be done subjectively by the selected architect; that he feels all should get ten points or one should get the ten points for superior design; and that the Agency's architect could not offer any guidance on the matter when contacted.

Commissioner Kennedy inquired on the superior design ten points' parameters and who made said distinctions. Chair Jones replied that said designation was made by the architect selected from the RFP. MFCC Chair Williams briefly went over the RFP architect selection process. There was further discussion between ALL on the matter.

Selected architects Ken Jones, Phuong Le, and Ryan Jones addressed the BOC.

Mr. Jones noted they had scanned national used criteria for the basis of determining when to designate a project of superior design; he noted that all 37 projected had been visually inspected; and that they only participated in the scoring of the projects and not the award scoring.

Program Manager Marjorianna Willman advised the BOC that staff had looked at the projects and thereafter gave additional points for a natural break.

Commissioner Kennedy inquired on the challenge period process. MFCC Williams advised that the MFC had decided that there is a need for more forums, meetings, etc., to better acquaint everyone with the scoring and awarding process; and he noted that the criteria used are national standards for superior design designations.

There were further discussions between the BOC, Wayne Neveu, and the various audience members on superior design definition, scorings, rankings, etc.

Commissioner Wilson offered a Call to Question motion. Legal was requested if further discussion could be held on the matter, or did the Call to Question motion mean an immediate vote. Staff Attorney Christine Bratkowski advised the BOC need to discontinue discussion and vote on the matter before them.

**ROLL CALL VOTES on Commissioner Wilson's Call to Question Motion:
2 NO – Airhart, Kennedy, Vallee; 10 YES – Madderra, Williams, Boris, Foster, Wilson, Scontrino, Anderson, Boykin, Young, Miller; 3 ABSTAIN – Thaxton.**

There was some confusion as to whether said Roll Call meant the passage of the resolution. To settle the matter, Chair Jones requested a separate Roll Call be done for passage of the resolution.

ROLL CALL VOTES on Adopting Pending Resolution:

1 NO – Airhart; 12 YES – Kennedy, Madderra, Williams, Boris, Vallee, Foster, Wilson, Scontrino, Anderson, Boykin, Young, Miller; 1 ABSTAIN – Thaxton

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Katie Anderson, the resolution approving the final rankings of applicants under the 2010 Qualified Allocation Plan Ceiling to certain residential rental facilities; and providing for other matters connected with the foregoing, was adopted. There being no further discussions, comments, or public comments, the matter passed via VOTE CALL: 1 NO, 12 YES, 1 ABSTAIN.

Per a request from Commissioner Kennedy, Ms. Willman noted that an email blast would be sent to the developer community noting the process used in the scoring, and also posted on the Agency's website.

HUMAN RESOURCES COMMITTEE

HRC Chair Tyrone Wilson requested that said matters be deferred as the last Agenda item to be discussed.

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 noted that she would like to do a February 2011 presentation on the status of the Energy Programs, and would like to be first on the Full Board Agenda items for said presentation.

SINGLE FAMILY COMMITTEE

SFC Chair Michael L. Airhart noted that the EAC has met earlier, and that the 2010A Program and Whole Loan Report was in the binders. He noted there were no action items, and that a report has been given earlier by the Finance Team on the current and future Master Servicer.

SPECIAL PROGRAMS HOME COMMITTEE

SPHC Chair Joseph M. Scontrino, III, briefly discussed the item regarding the recommended awards for the HOME Rural Rental Affordable Housing.

On a motion by Commissioner Joseph M. Scontrino, III, and seconded by Commissioner Katie Anderson, the resolution approving the recommended awards (labeled as Exhibit A – “Recommended Awards”) for the HOME Rural Rental Affordable Housing Notice of Funding Available (NOFA); 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.

HUMAN RESOURCES COMMITTEE

First item discussed was the resolution regarding the Board Contact Policy. HRC Chair Wilson went over the specifics of the matter.

On a motion by Commissioner Tyrone A. Wilson and seconded by Commissioner Jerome Boykin, Sr., the resolution to provide a procedure for Members of the Board of Commissioners to ask for items needed from LHFA Staff; and providing for other matters in connection with the foregoing, was adopted.

Thereafter, there were further discussions on the aforementioned matter.

Commissioner Vallee noted that the actual vote during the HRC was a 3-3 tie, with HRC Chair Wilson breaking the tie, making it 4-3 in support of the resolution. He furthered noting his concern of not being able to contact staff, and in particular not being able to talk to the General Counsel; noted that he felt the proposal was too restrictive; that he had a very enjoyable relationship with staff; and that staff was now reluctant to talk to anyone out of fear of retaliation.

Commissioner Miller noted that he had voted NO because he felt it did not meet the seven-day advance protocol, but that he was okay with the proposal now.

Commissioner Kennedy inquired to exactly why said proposal was being presented to the BOC.

HRC Chair Wilson noted problems of staff not being able to do their daily jobs due to constant BOC requests; and that at the recent BOC Retreat everyone was advised that BOC contact be done directly to the Executive Director.

Commissioner Kennedy inquired as to exactly who the proposal was directed to. HRC Chair Wilson replied that Commissioner Vallee had had more contact with staff than all others combined.

Chair Jones also reiterated the protocol advice from John Wagner at the BOC Retreat.

HRC Chair Wilson noted that the resolution as written did not prohibit inquiries, but instead would coordinate requests uniformly.

Commissioner Kennedy suggested an Executive Session so the BOC would talk more about the matter.

Commissioner Anderson noted she felt the proposal would set protocol to get information, and that she did not feel it was a restrictive doctrine.

HRC Chair Wilson noted that a previous request that inquiries be put in written format had been removed.

Vice Chairman Airhart asked for any opinions on the fact that the matter had not been presented to the BOC in a timely manner to review.

Commissioner Foster noted that the intent of the resolution has been posted in advance, but that he'd have liked to have seen the full resolution posted likewise.

Chair Jones noted she'd put on the January 2011 BOCM Agenda an item to revisit the Seven-Day Protocol.

Commissioner Vallee noted his concern about current public perception and the lack of Agency communications, and his desire to work with LHFA President Milton Bailey to reach an amicable resolve.

Commissioner Scontrino noted he did not support the policy and would like it postponed for thirty days so that further discussions could be held on the matter, in lieu of a resolution. Commissioner Kennedy concurred.

On a motion by Commissioner Joseph M. Scontrino, III, and seconded by Commissioner J. Mark Madderra, the aforementioned resolution regarding Board Contact Policy was DEFERRED until the January 2011 BOCM.

ROLL CALL VOTE to Defer Board Contact Policy Resolution:

10 YES – Airhart, Kennedy, Madderra, Williams, Vallee, Foster, Scontrino, Anderson, Young, Miller; 3 NO – Wilson, Boykin, Thaxton, 1 ABSENT -- Boris

Last item discussed were the LHFA President and Vice-President's Annual Appraisals. It was noted by HRC Chair Wilson that the evaluation process would begin in February 2011, with an April 2011 completion date.

OTHER BUSINESS

Chair Jones noted she had drafted and distributed a memo noting that neither the Chair nor the Vice Chair would chair any committees. She thereafter went over the process she used to determine the committees; with the primary goal being for everyone to have a role in leadership.

On a motion by Commissioner Tyrone A. Wilson and seconded by Commissioner Katie Anderson, the BOC approved the Chair's recommended various Board Committee Members and Chairs.

Commissioner Foster requested clarity on visiting commissioners' protocol and whether they had voting rights during the Committee meetings.

Chair Jones noted that at the January 2011 BOC she'd explore offering a revision to the Bylaws to clarify the protocol for when commissioner visits and/or participate in committee meetings for which they are not a designated member.

Commissioner Anderson requested that ALL Commissioners make a more concerted effort to fully participate in their respective committee meetings.

Commissioner Vallee noted that the current matter being discussed did not meet the seven-day criteria; and that he did not want to be on the Internal Audit Committee; that he felt Vice-Chairman Airhart should remain as Single Family Committee Chair; and that he was not happy the matter was not fully discussed with ALL in advance before the committees had been formed.

Vice Chairman Airhart expressed his dislike that the matter was not provided timely for the BOC to review; and that he was not happy being just informed he had been removed as Single Family Committee Chairman.

Commissioner Neal Miller noted that he did not want to be SPH Committee Chair if anyone had expressed an interest thereof.

Commissioner Foster inquired as to whether the BOC Chair has the authority to appoint committee. Chair Jones noted that Bylaws required BOC approval

**ROLL CALL VOTE on 2011 BOC Committee Members and Committee Chairs:
9 YES – Williams, Foster, Wilson, Scontrino, Anderson, Boykin, Young, Miller, Thaxton; 3
NO – Airhart, Alice Washington obo Kennedy, Vallee; 2 ABSENT – Madderra, Boris.**

**There being no further discussions, oppositions, or public comments the matter passed via
VOTE CALL: 3 NO, 9 YES, 2 ABSENT.**

ADJOURNMENT

There being no other matters to discuss, Commissioner Joseph M. Scontrino, III, 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 2:30 PM.**

Chairman

Secretary