



Louisiana Housing Finance Agency

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

**Wednesday, July 8, 2009
2415 Quail Drive
V. Jean Butler Board Room
Baton Rouge, LA 70808
12:00pm**

Commissioners Present

Wayne E. Woods
Allison A. Jones
John Kennedy
Guy T. Williams
Michael L. Airhart
Mayson H. Foster
Katie Anderson
Jerome Boykin, Sr.
Joseph Scontrino, III
Tyrone A. Wilson
J. Mark Madderra
Susan W. Sonnier
Elsenia Young

Commissioners Absent

Walter O. Guillory

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
Alesia Wilkins-Braxton
Charlette Minor
Loretta Wallace
Brenda Evans

Jeff DeGraff
Jatis Harrington
Darleen Okammor
Carolyn McQuairter
Terina Stripling
Terry Holden
Taryn Miceli
Juon Wilson
Denise Ackoury
LaTosha Overton
Mary Antoon
Robert McNeese
Danny Veal
Calvin Humble

Others Present

See Sign-In Sheet Attachment

CALL TO ORDER

Chairman Wayne E. Woods called the meeting to order at 1:05pm; Board Coordinator Barry Brooks did the roll call; a quorum was established. Due to time constraints, there was no introduction of guests.

APPROVAL OF MINUTES

On a motion by Commissioner Mayson H. Foster and seconded by Commissioner Katie Anderson, the minutes of the Full Board Meeting held June 10, 2009, were approved. There being no further discussions or oppositions, the motion passed unanimously.

CHAIRMAN'S REPORT

Chairman Woods begin by presenting to Commissioner Michael Airhart his framed official proclamation from Governor Bobby Jindal acknowledging his appointment to the LHFA Board of Commissioners (BOC).

Chairman Woods also noted that Commissioner Mark Madderra would no longer be serving as Chair of the Multifamily Rental Committee, but also noted he was not leaving the Board. He thanked Commissioner Madderra for all his hard work while serving as Chair of the MFC. Thereafter, Commissioner Madderra received a standing ovation in acknowledgment thereof.

PRESIDENT'S REPORT

LHFA President Milton Bailey advised the BOC that 60 TCAP applications had been received by the Agency totaling \$35.4M, and that the Agency application had been submitted to HUD and was awaiting approval thereof.

President Bailey also noted that under the 1602 Exchange Program there had been a total of \$100M+ requested from the US Department of Treasury.

President Bailey also advised the Board that the recent BGR report was inconsistent with the realities of the Affordable Housing Market, and that the Agency would be doing a more thorough market study and analyses thereof.

He also noted that he was still pushing the GO Zone Exchange efforts in Washington DC; that the efforts thereof were moving progressively along favorably; and that the entire Louisiana Congressional Delegation was in full support thereof. He thanked everyone for their advocacy but urged that the legislation still needed to be passed and/or an administrative fix.

Vice-Chair Jones also applauded Mr. Bailey for his continued efforts on the tax exchange initiative, and noted the recent support from the NCSHA.

INTERNAL AUDIT COMMITTEE

IAC Chair Joseph Scontrino noted that the Committee had met earlier, and was recommending adoption of the Louisiana Audit Compliance Questionnaire for Audit Engagements of Governmental Entities.

On a motion by Commissioner Joseph Scontrino, III, and seconded by Commissioner Katie Anderson, the Board approved the adoption of the completed Louisiana Audit Compliance Questionnaire for Audit Engagements of Governmental Entities; and providing for all matters in connection thereof. There being no further discussions or oppositions, the matter unanimously passed.

Next there was a brief presentation by auditors from Duplantier, Hrapmann, Hogan & Maher, CPA. They advised the Board that the Draft Audit of FY Ending 6/30/09 was due in August, and thereafter their report would be presented at the October 2009 BOCM.

LEGAL COMMITTEE

Legal Committee Chair Allison Jones advised everyone that the Committee had met earlier and discussed the Superior Design and Quality Superior Site 2009 QAP parameters. She advised that

the Agency needed to meet a balance in the matter. She also noted that the LC was supporting the resolution noting that no points would be awarded thereof.

On a motion by Vice-Chair Allison Jones and seconded by Commissioner Tyrone Wilson, the Board approved providing for striking out the “Superior Design and Quality and/or Superior Site” language from the State's 2009 Per Capita Qualified Allocation Plan and Selection Criteria; and providing for all matter in connection thereof. There being no further discussions or oppositions, the matter unanimously passed.

SINGLE FAMILY COMMITTEE

SF Committee Chair Michael L. Airhart advised the BOC that given current bond market were progressing and that he anticipated a possible issue in August.

LHFA Program Administrator Brenda Evans then gave a brief update on the 2008, noting that there was available \$8.9M thereof, and that the specifics were available in the Board binders.

Thereafter, Larry Englande with George K. Baum went over the 2009A Bond issue aspects.

SFC Chair Airhart noted that during the June 2009 BOCM the Agency staff was asked to review the parameters of the Homebuyer Tax Credit Program. Ms. Evans advised the Board that the HTCP draft analysis had been started; that it would be rolled out via the 2009A issue possibly in late July.

Thereafter, Commissioner John Kennedy inquired on the 2009A issue costs analysis and whether the costs thereof had been negotiated. Ms. Evans noted that the negotiations would transpire in conjunction with the pricing of the bond and also from a previous RFP. Mr. Kennedy requested clarification. Ms. Evans noted that the underwriter fees would be negotiated.

Mr. Englande provided further responses to Mr. Kennedy's inquiry. Consequently, Mr. Kennedy requested copies of the items referenced in Mr. Englande's aforementioned response.

Commissioner Foster inquired as to why the Pilot Program (HTCP) was being limited to the 2009 issue if there were available funds thereof in 2008. Ms. Evans noted it was due to both time and processing constraints. SF Chair Airhart offered further clarification therewith.

SPECIAL PROGRAMS HOME COMMITTEE

Chairman Woods advised the Board that the Louisiana Recovery Authority had previously asked the LHFA to administer a portion of its \$20M of CDBG funds via \$5M for the LHFA Non-Profit Rebuilding Pilot Program. He gave a brief history of the matter noting that the BOC had

previously approved LHFA's participation thereof and that the LRA had increased the funding to \$20M. Program Manager Charlette Minor noted that there would be no program changes given the funding increase, and that the NRPP would still be RFP'd.

Commissioner Kennedy inquired as to who the principal negotiators would be. Ms. Minor noted it would be a combination of the LHFA Legal team, HOME staff, and with Agency General Counsel via Staff Attorney Christine Bratkowski being the lead negotiators.

On a motion by Commissioner Katie Anderson and seconded by Commissioner Joseph Scontrino, III, the resolution was adopted increasing the amount of Community Development Block Grant (the "CDBG") funds that the Louisiana Housing Finance Agency (the "Agency" or "LHFA") will administer for the LHFA Non-Profit Rebuilding Pilot Program on behalf of the Louisiana Recovery Authority (the "LRA") from five million dollars (\$5,000,000.00) to twenty million dollars (\$20,000,000.00); and providing for other matters in connection thereof. There being no further discussion or opposition, the matter unanimously passed.

ENERGY ASSISTANCE COMMITTEE

EAC Chair Katie Anderson advised the BOC that the EAC had meet earlier but had no items needing actions thereupon. She also noted that the Energy Program Updates were in the Board binders.

Energy Program Coordinator Darlene Okammor advised the Board the via the regular LIHEAP of \$61M that \$45M (78%) had been used to assist 81K households and reaching about 30K in new applicants. She noted that from the LIHEAP Express that 94% of the \$5K had been utilized and that 655 homes had been weatherized. She also advised that the WAP Max would need to conduct a new public hearing due to a technicality thereof.

EAC Chair Anderson noted that on the ARRA WAP Max the Special Committee thereof had not meet as previously planned. She noted that Agency staff was in talks with DOE in revising the previously submitted State Plan due to some technicalities. She advised that more specifics on the SP deficiencies would be forthcoming in the upcoming week.

EAC Chair Anderson further on the ARRA WAP Max noting that Davis-Bacon would be part of the State Plan parameters; that the SP would have another Public Hearing conducted thereof; that the SP would be sent to the BOC for reconsideration and should b ready for discussion and final approval at the September 2009 BOCM. She advised the Board that info was being sent to the subgrantees to keep everyone updated and fully informed thereof.

Vice-Chair Jones inquired as to whether Louisiana was the only state whose Plan had been rejected by DOE. EAC Anderson noted that there were only a few states that were in fact approved via their original application submission.

Commissioner Mayson Foster thereafter read verbatim from a White House Press release detailing the statistics of which states had been approved.

VC Jones noted her concern that DOE had not been specific enough in their noting of the Plan's deficiencies. She requested that all communications with DOE be also forwarded to the BOC.

MULTIFAMILY RENTAL HOUSING COMMITTEE REPORT

MFC Chair Mark Madderra noted that the Committee had met earlier and that the first item to be discussed was a request for an increase in the amount of bonds to finance The Muses II Project, and that the MFC was recommending approval thereof.

On a motion by Commissioner J. Mark Madderra and seconded by Commissioner Katie Anderson, the resolution was adopted authorizing an increase in the amount of bonds to finance The Muses II Project from not exceeding \$10,091,856 to not exceeding \$11,700,000; and providing for other matters in connection thereof. There being no further discussion or opposition, the matter unanimously passed.

Next item was the Peltier Gardens proposal of Morgan Keegan & Company, Inc. to purchase not exceeding \$18M of LHFAMHRB. Program Administrator Loretta Wallace gave a brief history on the matter. MFC Chair Madderra noted that the MFC was recommending approval thereof.

On a motion by Commissioner J. Mark Madderra and seconded by Commissioner Katie Anderson, the resolution was adopted accepting the proposal of Morgan Keegan & Company, Inc. for the purchase of not exceeding Eighteen Million Dollars (\$18,000,000) Louisiana Housing Finance Agency Multifamily Housing Revenue Bonds (Peltier Gardens 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 thereof. There being no further discussion or opposition, the matter unanimously passed.

Next item was the GCHP-Esplanade matter. Ms. Evans gave a brief history on the matter. MFC Chair Madderra noted that the MFC was recommending approval thereof.

On a motion by Commissioner J. Mark Madderra and seconded by Commissioner Mayson Foster, the resolution was adopted establishing the maximum qualified basis and low-income housing credits to GCHP Esplanade LLC; authorizing the Agency staff and counsel to prepare the forms of such documents and agreements as may be necessary to allocate 4% Low Income Housing Tax Credits to such facilities; and providing for other matters in connection thereof. There being no further discussion or opposition, the matter unanimously passed.

MFC Chair Madderra advised the BOC that the next two items were similar requests, and that the MFC was recommending approvals thereof.

On a motion by Commissioner J. Mark Madderra and seconded by Vice-Chair Jones, the resolution was adopted establishing the maximum qualified basis and low-income housing credits to Douglas & Andry Sustainable Apartments; authorizing the Agency staff and counsel to prepare the forms of such documents and agreements as may be necessary to allocate 4% Low Income Housing Tax Credits to such facilities; and providing for other matters in connection thereof. There being no further discussion or opposition, the matter unanimously passed.

On a motion by Commissioner J. Mark Madderra and seconded by Commissioner Katie Anderson, the resolution was adopted establishing the maximum qualified basis and low-income housing credits to GCHP-MLK, LLC; authorizing the Agency staff and counsel to prepare the forms of such documents and agreements as may be necessary to allocate 4% Low Income Housing Tax Credits to such facilities; and providing for other matters in connection thereof. There being no further discussion or opposition, the matter unanimously passed.

Next items dealt with carryover matters. Ms. Evans discussed the specifics of the resolutions thereof. It was noted that New Covington had problems with financing and that Hardwood Apartments request was due to an oversight. MFC Madderra noted that the Hardwood Apartments matter had strong community support thereof.

On a motion by Commissioner J. Mark Madderra and seconded by Vice-Chair Jones, the resolution was adopted authorizing an extension of submission of Carryover Allocation Documentation requirements as stipulated in the December 2008 Lightning Round Memorandum distributed by Louisiana Housing Finance Agency (the "Agency") from June 1, 2009 to June 30, 2009 for Hardwood Apartments and to December 15, 2009 for New Covington; and providing for other matters in connection thereof. There being no further discussion or opposition, the matter unanimously passed.

Chairman Wayne Woods RECUSED himself from the proceedings at 1:40pm during the discussions on the Lafitte Redevelopment matter. Vice-Chair Allison took over the BOCM thereafter.

Ms. Evans and MFC Madderra went over the specifics of the matter, and noted that the MFC was recommending approval thereof.

On a motion by Commissioner J. Mark Madderra and seconded by Commissioner Katie Anderson, the resolution was adopted authorizing an extension of submission of Carryover Allocation Documentation requirements as stipulated in the 2007/2008(FA) QAP by Louisiana Housing Finance Agency (the "Agency") from December 31, 2008 to December 15, 2009 for Lafitte Redevelopment Adjudicated Housing; and providing for other matters

in connection thereof. There being no further discussion or opposition, the matter passed with one ABSTAIN vote from Chairman Wayne Woods.

Next item discussed was the Beechgrove Homes and Claiborne Homes request for an exterior design waiver.

MFC Madderra noted that the property was nearly 100% complete but that no brick/stucco had actually been utilized in the construction thereof. He noted that perhaps staff needed further time to review the matter in conjunction with how previous requests had been handled.

Vice-Chair Jones noted that the letter received from the developers was not dated and she inquired as to why the Agency had not previously responded to the developers as stated in the letter sent to the Agency.

Ms. Evans noted that more research on the matter was being done concurrently.

There were further discussions by the BOC on the parameters of the request.

Mr. Ken Outcalt and Brian Drobnick addressed the BOC. They briefly went over the history of the developments and the various discussions they had with Agency staff regarding the matters. They noted discussions in February and March 2007 with Ms. Evans and Mr. Louis Russell and also with the MFC. They also noted a June 2007 inquiry to the Agency with no resolve or guidance therewith. They noted the projects were thereafter built and was now a mixed-income and safe dwelling.

Vice-Chair inquired if there had been any change in the initial scorings. Ms. Evans noted there had been no subsequent scoring changes.

Chairman Woods inquired as to if the BOC had denied previous requests why wasn't the change request made to the staff. Mr. Russell advised the BOC that staff had advised the developers that they did not give them approval but only that they would not have lost their rankings. Mr. Russell also noted that he was not aware of any previous resolutions or minutes that made brick/stucco matters retroactive.

Vice-Chair Jones noted that even if staff was not timely responding back to the developers that the developers still should not have proceeded with the material change prior to getting appropriate approvals.

Commissioner Kennedy inquired as to why brick/stucco could not still be used and what was used in lieu thereof. The developers advised the BOC that brick would have weight complications due to the height of the dwellings and that stucco was not deemed structurally sound. They noted that harden plank (concrete/sand) had been used instead.

There were continued lengthy discussions between the BOC, Ms. Evans, Mr. Russell, and Messrs. Outcalt and Drobnick.

Commissioner Guy T. Williams inquired as to the cost differentials. Mr. Drobnick noted the difference was between \$2M-\$2.5M.

Chairman Woods noted he was not totally convinced about the timelines of the material change, but that he was in agreement that a five-month delay in staff responding was not acceptable. Commissioner Kennedy concurred thereof.

There were again more continued lengthy discussions between the BOC, Ms. Evans, Mr. Russell, and Messrs. Outcalt and Drobnick, including a discussion with Agency staff member Joe Durnin on the inspection parameters in the matter.

Commissioner Anderson noted her concern of whether the developers' request intent was based on the staff discussions.

President Bailey inquired as to whether the developers knew of the height elevations matters during their original application submission. Mr. Outcalt noted the FEMA and HUD guidelines were the catalyst for the height elevation criteria.

Commissioner Wilson noted that on December 19, 2006 the developers were aware of the need for the material changed prior to FEMA's height regulations, based on info noted in their letter sent to the Agency. Mr. Outcalt concurred affirmatively thereof.

Commissioner Guy Williams noted his concern in the inconsistencies in the responses presented to the BOC.

Vice-Chair inquired as why staff was recommending approval of the material change request. Ms. Evans noted it was due primarily to the advanced stage of development of the project; she also noted that it was not staff's preference to approve that matter but that there were no other known viable options thereof.

Commissioner Scontrino inquired on the costs analysis of using brick/stucco and noted that he also had some concern about the various discussion inconsistencies. A roll call vote was requested.

Board Coordinator Barry Brooks did the roll call vote.

YES - 4 (Jones, Kennedy, Scontrino, Anderson).

NO - 7 (Madderra, Williams, Airhart, Foster, Wilson, Boykin, Young)

ABSENT - 2 (Sonier, Guillory)

ABSTAIN - 1 (Chairman Woods)

By a vote of 4 YES and 7 NO, the Board DENIED the exterior design waiver for the Brick/Stucco option for Claiborne Homes I #06(2)-225 & Beechgrove Homes #07/08 (FA)-22; and providing for other matters in connection therewith. There being no further discussion or opposition, the matter FAILED.

Thereafter, Mr. Outcalt informed the BOC that "...80 families would lose their homes", and disruptively left the Board Room.

MFC Madderra noted that there was no BOC action necessary for the Lakeside and Marquis Apartments matter.

MFC Madderra noted that the Superior Site and Superior Design item has been previously resolved earlier during the Legal Committee discussions.

MFC Madderra noted that the last item dealing with the BRG study "The House That Uncle Sam Built" was being presented to get approval from the BOC to have an independent study done on the report due to many inconsistencies in the data on the need for affordable housing in the New Orleans area. President Bailey requested that an analysis of the St. Bernard Parish area also be included in the request. Thereafter it was resolved that the studies would be two separate matters.

On a motion by Commissioner J. Mark Madderra and seconded by Vice-Chair Jones, the Board approved the request to RFP a study to review the affordable housing needs in the New Orleans area and a study to review the affordable housing needs in the St. Bernard Parish Area; and providing for other matters in connection thereof. There being no further discussion or opposition, the matter unanimously passed.

OTHER BUSINESS

Mr. Murray Calhoun requested to address the BOC. He noted that the costs for market studies in the range of \$4,500-\$6,500 was not feasible, he also questioned the quality and need of said studies.

Commissioner Airhart noted that the previous costs were \$1,250 and given that staff was going to actually select the \$4,500-\$6,500 appraiser, why then couldn't the developer pick its own appraiser. Commissioner Kennedy inquired as to who the appraiser were. Ms. Evans advised that they had been selected via an RFP. She noted that out of 9 out of the 11 applications submitted had been selected by staff. Commissioner Airhart noted his concern that staff had independently decided and selected who would be doing the market study.

Chairman Woods noted that the Agency premise in selections thereof was because of previously received complaints and of poor analysis quality, but he also noted his had some concerns also about the high increase in costs for the studies.

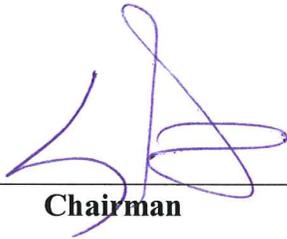
Commissioner Madderra went over the history and parameters of the market study matter and described how the Agency would utilize the study in deciding tax credit projects.

There were additional comments and discussion between the BOC and Mr. Calhoun.

Thereafter, Mr. Shaun Marney addressed the BOC inquiring if developers could get access to the documents after the Agency received them. Commissioner Madderra advised him that documents were all public records and would be readily accessible.

ADJOURNMENT

There being no other matters to discuss, Commissioner Michael Airhart 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 2:50 PM.**



Chairman



Secretary