



Louisiana Housing Finance Agency

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

**Wednesday, March 16, 2011
2415 Quail Drive
V. Jean Butler Board Room
Baton Rouge, LA 70808
12:00 p.m.**

Commissioners Present

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

Commissioners Absent

Neal P. Miller
Guy T. Williams

Staff Present

Barry E. Brooks
Milton Bailey
Alesia Wilkins-Braxton
Charlette Minor
Loretta Wallace
Rebekah Ward
Annie Clark
Roger Tijerino

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Rene Landry
Mary Antoon
Jeff DeGraff
Marjorianna Willman
Juon Wilson
Ricky Patterson
Joseph Durnin
Louis Russell
Eva Martinez
Terry Holden
Ruth Wesley
Mary Brooks
Jonathan Wesley
Collette Mathis
Terri Porche Ricks
Edselle Keith Cunningham, Jr.
Christine Bratkowski
Leslie C. Strahan
Jessica Guinn

Others Present

See Sign-In Sheet

CALL TO ORDER

Chairwoman Allison A. Jones called the meeting to order at 12:05pm. Board Coordinator Barry Brooks called the roll; there was a quorum. There was thereafter an introduction of guests.

APPROVAL OF MINUTES

On a motion by Commissioner Joseph M. Scontrino, III, seconded by Commissioner Jerome Boykin, Sr., the minutes of the Full Board Meeting held February 9, 2011, were approved unanimously.

On a motion by Commissioner Donald B. Vallee, seconded by Commissioner Katie Anderson, the minutes of the Special Full Board Meeting held February 15, 2011, were approved unanimously.

CHAIRMAN'S REPORT

Chairwoman Jones extended deepest sympathies to the victims and citizens of Japan suffering from the recent earthquake and subsequent tsunami. She noted the similarities to the aftermath of Hurricanes Katrina, Ike, Rita, and Gustav.

Chair Jones noted that the BOC would try to be responsive to the extent possible in meeting everyone's needs and interests.

Chair Jones advised everyone that the next items on the agenda under Chair's Report -- a resolution regarding hiring of new employees and merit increases and a resolution regarding the expenditure of funds -- had been referred to the Budget and Finance Committee and the Human Resources Committee for consideration prior to being considered during the Full BOCM. She asked if there was any action to be taken on behalf of the first resolution.

Commissioner Mayson H. Foster spoke. He stated, "As the Board knows, I am an appointee of the Governor, and I did have an opportunity to talk with the Governor's Office yesterday. They have authorized me to indicate to the Board that there will be an announcement concerning the LHFA in the not-too-distant future. They didn't give me an exact date. In that discussion they have passed on to me the fact that they would like to see no changes in the Agency until after they have made that announcement. Again, please understand, I have no idea what the announcement is. So based on that I would like to make a motion that the three resolutions ... be laid on the table."

Commissioner Mayson H. Foster then moved that the following resolutions be placed on the table: the resolution regarding hiring of new employees, merit increases, and matters related thereto (Option 1); the resolution regarding hiring of new employees, merit increases, and matters related thereto (Option2); and the resolution regarding the expenditure of funds by the LHFA, and matters related thereto. The motion was seconded by Commissioner Tyrone A. Wilson. The Chair stated the motion is a motion that is not-debatable, as per Robert's Rules of Order, upon a question about the same by Commissioner Vallee. The Chair then put the motion to a vote. The motion passed with one vote in opposition from Commissioner Vallee.

Thereafter, Commissioner Vallee made a comment. He said, "Madame Chair, I had an opportunity to speak to Commissioner Foster and with all due respect -- and I do respect him greatly -- the communication he received, I believe, was misinterpreted from Jonathan Ringo, who is the Governor's assistant in intergovernmental affairs and board appointees. Once I received that email from Commissioner Foster yesterday, I tried to reach Mr. Ringo, who was unavailable, and I then reached him by email. He called me back when he was with the Governor on his way to Harahan. And when I read him the email that Commissioner Foster wrote, he said, 'I never, never commented about stopping those resolutions.' And the intent of the prior conversations that I had earlier today with some of the Governor's staff is that they just didn't want anything to go through that would prejudice or prohibit anything that they may want to do

in the future, not stop these resolutions. It has been the intent of the Administration to freeze salaries. It has been the intent of the Administration to control costs. That's why I put through almost two months ago that resolution, and frankly it was blocked. And it was only because we called a special board meeting, the Vice-Chair and I, and that the Secretary of Housing wanted an issue brought up that it was even brought up to the Board last time. And respect to Commissioner Foster, I had the conversation this morning. I have asked him if he would contact Mr. Ringo this morning and clarify the issue so it could be addressed. I don't know if you did it or didn't. Obviously, you took the position to still do it. And you have that right, Commissioner Foster. However, these were two issues which should have been brought up. If the Board so decides not to do it, the communication was inaccurate."

Chair Jones noted that Commissioner Vallee's objection to the action is duly noted and shall be reflected in the minutes, and that the Board had already acted to lay the resolutions aside.

PRESIDENT'S REPORT

President Milton J. Bailey noted that the Agency had won an award for best design of an un-built project for the Mid-City Gardens/Capital City South Project.

There was a brief presentation to the Agency by Post Architects of the plaque from the American Institute of Architects Middle Tennessee Design Award to EOA Architects, PLCC and Post Architects in recognition of Mid City Gardens.

Chair Jones thanked the project architects and the Agency staff for creating a wonderful example of a good housing community building project.

Commissioner Vallee then thanked Agency Architect Dr. Roger Tijerino and his staff.

There was next an update on activities in Washington, DC by Agency Policy Director Annie Clark. She noted the recent trip to Washington, DC to meet with various congressional delegates to get their support in moving forward the Placed in Service (PIS) Extension legislation; and she noted that April 15th would most likely be the date that matter would be resolved one way or the other.

LHFA President Milton J. Bailey noted his confidence in the matter(s) moving forward and supports the good will efforts to wait until April 15th.

Vice-Chairman Michael L. Airhart noted that he likewise attended the Washington, DC events and was very encouraged by the discussions held on the matters.

ENERGY ASSISTANCE COMMITTEE

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

EACC Anderson did note that there would be some future allocation cuts and that she and Energy Program Manager Darlene Okammor had discussed preliminary options on the matters; that there was a group with problems that were being discussed; and that the State Plan Public Hearing was scheduled for April 5th and did not include any new structural plans

LEGAL COMMITTEE

Legal Committee (LC) Chair Frank H. Thaxton, III, noted the Committee had met earlier and discussed the Sedena Hausey vs. Willowbrook Management, Inc. and LHFA case. He noted that the suit was a slip-and-fall that had occurred at the complex, and the matter had been referred to the State Office of Risk Management for handling.

LCC Thaxton next discussed proposed amendments to the Board By-Laws. Regarding the matter of who could vote, etc. at committee meetings, he noted that after discussions by the LC that the recommendation was to not make any By-Law changes and leave this issue in the status quo which he said the Board the Committee understood to be that only members of the committee would be counted for the quorum and could vote, though all commissioners are able to attend committee meetings and participate in any discussions being held.

Next there was discussion regarding the protocol for requesting legal opinions. LCC Thaxton noted that the LC had discussed the matter and there was a consensus that requests for formal legal opinions of General Counsel should come from the BOC through the LC; that the General Counsel is Counsel for the Agency and not to individual board members; but that there were no clear recommendations further on the issue by the LC. He then opened it up for discussion for the Board.

There was further discussion on the matter; including discussions between legal opinions versus legal guidance and that requests should be made clear by being in writing when the BOC requests such. Chair Jones requested full clarity and uniformity in the legal opinions process.

LCC Thaxton summarized the matter such that requests for legal opinions must come via the BOC and thereafter to the General Counsel; he discussed the legal opinion versus legal issue distinctions; and that the General Counsel is the Agency's counsel and not an attorney for individual commissioners. Commissioner Vallee noted his concern about how the request is answered, desiring answers to be in writing. There was further discussion about General Counsel being counsel to the Agency and the Board, and not to individual Board members, and that there should be a protocol to receive a formal legal opinion.

Chair Jones summarily noted the discussion stating that the process for requesting legal opinions would begin with a motion for a legal opinion, which gets seconded, and then is referred by the LC and thereafter the BOC to the General Counsel.

Next item discussed was the validity of the President and Vice-President's contracts. LCC Thaxton noted it really was a HRC matter but the LC wanted information on employment contract authority and that the final resolve was that the Agency can enter into the contracts, and that the matter was being referred to the HRC. There was further discussion on the matter between Commissioner Vallee and LCC Thaxton. Finally, LCC Thaxton advised that the By-Laws provide that absent a contract that the President is elected and continues to serve the term unless he/she resigns, leaves for some Agency, or he's removed by the Board.

There was no other matter to be reported.

BUDGET AND FINANCE COMMITTEE

BFC Chair Mayson H. Foster noted that there had been a brief meeting earlier, and that due to having started late the committee has recessed and would reconvene immediately following the adjournment of the Full BOCM.

Commissioner Vallee asked for the floor and requested the record reflect that there had been a discussion on the hiring freeze and expenditures resolutions during the BFC and that there had been a vote to bring the matters for discussion to the Full BOCM, which had not been reported. Instead, he stated that BFC Chair instead made a motion to lay the matters aside. Chair Jones stated the Full Board is not bound by the Committee report or action and that the full Board made took action to lay those resolutions aside. Commissioner Vallee said he understood the action taken by the Full Board, but he wanted to make the note that what was reported out was not what took place. Chair Jones stated that his objection had been duly noted.

HUMAN RESOURCES COMMITTEE

HRC Chair Tyrone A. Wilson noted that the Committee had met earlier, had established a quorum, and did not have any action items.

HRCC Wilson advised the BOC that the President's contract has expired and that the Vice-President's contract would be expiring in May 2011; that the HRC wants a new contract for the President and an extension for the Vice-President, pending the April 2011 BOCM votes. He noted that personally he thought we had the best

HRCC Wilson noted that the performance evaluations for the President and Vice-President were overwhelmingly positive and had been disseminated to the BOC for review.

Commissioner Vallee suggested that the BOC do not contemplate either the President's or Vice-President's contracts other than thirty (30) day extensions pending the Governor's future announcement.

ASSET MANAGEMENT COMMITTEE

Asset Management Committee Chair Donald B. Vallee noted that the committee had met earlier.

He reported first reported that Willowbrook Apartments' occupancy rate was 85% - 87% and that had been a report provided by Milton that showed an occupancy date of about October 1, 2011.

He then mentioned that the committee discussed the Property Management RFP for Willowbrook Apartments and Village de Jardin, noting there would be two contracts and that there would be a pre-bid conference.

AMCC Vallee also noted that State Facility Planning anticipates costs associated with FFE and Landscaping at Willowbrook to be approximately \$1M. The matter will come back before the committee next month with the full details, all of which had been early contemplated by the Board when they approved it initially, but there have been some changes to it.

Regarding Mid-City Gardens/Capital City South, AMCC Vallee stated that at the Committee the Contractor and Lead Architect were present. The Committee reviewed the cost-saving techniques they had been working on for 4 months for about \$500K and referred to staff and architect to look at the best solutions regarding maintenance and amenities to come back to the Committee in April, not requiring approval, but to present to us the final cost of the project for ultimate approval. He reported that we had finally received notice from HUD that the additional eight (8) units for MCG/CCS no longer had to be built, which could remove some concerns about cost overruns. He noted there may be an issue with security regarding MCG/CCS.

Vice-Chairman Airhart inquired as to whether there were any plans for the second parcel of property adjacent to the MCG/CCS site. Dr. Tijerino advised there had been no discussions on the matter.

SINGLE FAMILY COMMITTEE

Single Family Committee Chair Joseph M. Scontrino, III, noted that the Single Family Committee had met earlier and had established a quorum.

Program Administrator Brenda Evans discussed the 2010A/2011A Program Update and Whole Loan Report matters.

PA Evans also advised that the conversion to Bank of America from Standard Mortgage was moving smoothly and that staff was working well to integrate HDS; that the compensation for brokers parameters were being finalized; and that lender training was also been finalized.

SFCC Scontrino noted that the BOA contract had been fully executed.

Ms. Carliss Knesel of Hancock Bank informed the BOC that there had been 100% of origination of 2010A acquisition funds.

VC Airhart inquired on the reasoning for the 100%. Ms. Knesel noted it involved a combination of allocation manipulations, great demand, and good teamwork.

SFCC Scontrino also advised everyone of the upcoming March 17th Federal Reserve Webinar regarding compensation of HFA's.

Chair Jones complimented everyone on the BOA-SM conversion and integration processes and how smoothly everything finally transpired.

Commissioner Vallee complimented the Agency's IT Group for likewise having a successful interface.

SPECIAL PROGRAMS COMMITTEE

Commissioner Katie Anderson noted that in the absence of SPC Chair Neal P. Miller, that she served as Interim SPC Chair, and that the Committee had met earlier, but was not able to establish a quorum, and had only one action item to discuss.

Program Administrator Charlette Minor briefly went over the Reconciliation Update PR-27; and also noted that the Agency had none of its funds recaptured by HUD.

Commissioner Vallee inquired as to whether the Agency was doing its own F&V analyses.

Ms. Minor noted that she along with HOME Program Manager Robert McNeese such was being done, resulting in a cost savings to applicants.

Commissioner Anderson briefly went over the matter regarding the HTFAC matter for the James A. Herod Village Apartments resolution, noting that the resolution allows for easement rights in Phase 1 and 2 for the project and also incorporated OCD requirements, and that the SPC was recommending approval thereof.

On a motion by Commissioner Katie Anderson and seconded by Commissioner Donald B. Vallee, the resolution adopting the recommendations of the Housing Trust Fund Advisory Council regarding a request from James A. Herod Village Apartments (Israel Parker

Drive, Abbeville, Vermillion Parish) to conditionally allow the changes as indicated in its request; 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 Defaulted 202 Update. Commissioner Anderson advised that the updated info was available in the board binders, noting in particular the status of each property with anticipated completion dates and/or future recourse of said matters.

Commissioner Vallee suggested discussing the Defaulted 202 matters during the Full BOCM instead of holding for a later BFCM discussion.

Chair Jones approved the aforementioned discussion since there were no objections voiced.

Ms. Wallace gave a brief historical perspective on the Defaulted 202 Projects.

Commissioner Vallee inquired as to how much the current debt was. CFO Rene' Landry then gave a brief financial analysis on the matter, directing everyone to page B & F - 42 in their binders for the specifics; he noted that \$64.695M was the original loan and bond amount; and discussed post-Katrina financial problems due to loss of tenants' rent, destruction of properties, etc.

Mr. Landry then directed everyone to the debt and loan figures in the last column, and upon inquiry as to whether there had been any write-offs to date, replied that there had not been, and that only pay-offs and refinancing had occurred.

Ms. Wallace also noted that the agency anticipates being made whole on the remaining transactions as well, and that current exposure is minimal.

Commissioner Vallee requested a monthly defaulted report noting funds to be returned and also which would be suspended or forgiven by HUD. Chair Jones advised that said info was already being prepared and was in the board binders.

There was a brief conversation between the BOC and audience member Thomas Crumbly inquiring if the developer/owner actively working with LHFA to resolve each of the properties. Ms. Wallace replied affirmatively thereof, noting the constant communications with the developer, owner, FEMA, and HUD via weekly phone calls and/or meetings.

MULTIFAMILY RENTAL HOUSING COMMITTEE

In the absence of MFC Chair Guy T. Williams, Chair Jones noted that she chaired the meeting, that the Committee had met earlier, had established a quorum, and that the first item to be

discussed was a resolution regarding 1501 Canal Apartments, of which the Committee was recommending approval.

On a motion by Commissioner Donald B. Vallee and seconded by Commissioner Katie Anderson, the resolution establishing the maximum qualified basis and low-income housing credits to 1501 Canal 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 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 Elysian Apartments. Chair Jones noted that the matter had been discussed, that the Committee was recommending approval, and that she was likewise recommending approval.

On a motion by Commissioner Donald B. Vallee and seconded by Commissioner Elsenia Young, the resolution establishing the maximum qualified basis and low-income housing credits to The Elysian Apartments; authorizing the Agency's 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 therewith was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

Next item discussed was the resolution regarding Continuation of the 2010 GO Zone Allocation. Chair Jones briefly discussed the specifics of the matter, noting the parameter of 45-days to close after notice, that the matter had been discussed, that the Committee was recommending approval, and she likewise was recommending approval.

On a motion by Commissioner Donald B. Vallee and seconded by Commissioner Katie Anderson, the resolution clarifying policy regarding the awarding of unallocated and/or returned GO Zone Credits to qualified low-income buildings in the GO Zone that will be placed in service prior to January 1, 2012 as authorized by the LHFA Board via resolution at its regular meeting on January 19, 2011; 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 removal of the Managing General Partnership and Developer Limits for Villas at Angel Point. Chair Jones briefly discussed the specifics of the matter, and noted that the matter had been discussed, that the Committee was recommending approval, and that she and staff were likewise recommending approval.

Commissioner Katie advised the BOC, for the record, that she would be removing herself from discussion of the aforementioned matter.

On a motion by Commissioner Donald B. Vallee and seconded by Vice Chairman Michael L. Airhart, the resolution approving the removal of the Managing General Partnership, Lafayette Low Income Housing Management Corporation (LLIHMC) and substitution of Angel Point Development, LLC, from Villas at Angel Point, #2010-66, (located at 323 Patterson Street, Lafayette, 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. There was one abstention by Commissioner Katie Anderson.

Next item discussed was the resolution regarding the awarding of TCAP Funds. Chair Jones advised that the matter was being deferred due to new rankings that the Committee was recommending approval, and that she and staff were likewise recommending approval.

On a motion by Commissioner Katie Anderson and seconded by Commissioner Elsenia Young, the resolution providing for an Award of Tax Credit Assistance Program Funds (“TCAP Funds”) to certain residential rental facilities, and providing for other matters in connection therewith, was DEFERRED until the April 2011 BOCM. There being no further discussion, opposition, or public comments the matter passed unanimously.

Next item discussed was an update on the GO Zone Projects and Awards. Ms. Evans advised that staff had been in contact with the developers reminding them of the March 31st closure date.

Next item discussed was an update on the 2011 Stakeholders’ Meeting. Ms. Evans advised that the event was scheduled for Monday, March 28, 2011, at 10:00am in New Orleans.

Commissioner Vallee requested that a personal invite be extended to Senator Riser.

Commissioner Vallee requested a breakdown of pending projects at the April BOCM, to include open items and the items that have not closed. Chair Jones approved his request.

LEGAL COMMITTEE (continued)

LCC Thaxton then obtained the floor and noted that there was another amendment to the By-Laws that was on the Agenda and that was that an update from “DSS” to “DCFS” was needed and said matter would be handled by the Legal Committee and would come up in the future.

OTHER BUSINESS

Vernon Martin addressed the BOC, expressing the need to assist the Town of Rayne because 80% of their rental units had recently been destroyed by a tornado.

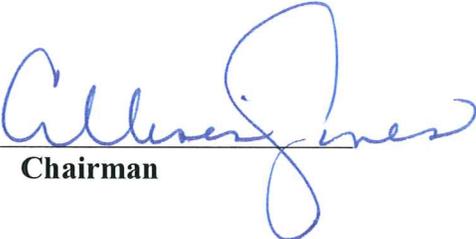
Chair Jones noted her commitment to help out any communities that have been involved in a disaster.

Commissioner Vallee extended a warm and kind welcome back to Commissioner Elsenia Young, which Chair Jones stated the entire Board joined in.

ADJOURNMENT

There being no other matters to discuss, Commissioner Elsenia Young 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 1:31 PM.


Chairman


Secretary