



Louisiana Housing Finance Agency

KATHLEEN BABINEAUX BLANCO
GOVERNOR

MILTON J. BAILEY
PRESIDENT

Louisiana Housing Finance Agency
Full Board Meeting Minutes
Wednesday, March 21, 2007
2415 Quail Drive
V. Jean Butler Board Room
Baton Rouge, LA 70808
11:00 A.M.

2415 QUAIL DRIVE
BATON ROUGE, LOUISIANA 70808
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Commissioners Present

Wayne E. Woods
Lisa Woodruff-White
Alice Washington (sitting in for John N. Kennedy)
Philip Miller
Robert Austin
Mark Madderra
Merriell F. Lawson
Danette O'Neal
Larry J. Broussard
Allison A. Jones
Guy T. Williams

Commissioners Absent

Dr. Adell Brown, Jr.
Greg Gachassin
Kevin J. Brown
Carolyn B. Burris

Legal Counsel Present

Christine Brakowski
Keith Cunningham
Wayne Neveu

Staff Present

Collette Mathis
Tim Shackelford
Rene Landry
Latesha Mumphery
Lourie Brown
Danny Veals
Loretta Wallace
Brenda Evans
Desiree Armstead
Latosha Overton

Shaun Mena
Starr Moore
Urshala Hamilton
Morise Duffin
Louis Russell
Darlene Okammor

Others Present

(See attached)

Chairman Wayne Woods called the meeting to order and asked for roll call. A quorum was established. Newly-elected Board member Guy T. Williams was sworn in by Chairman Woods.

The Chairman then asked for introduction of guests, followed by a motion to approve the minutes of the March 1, 2007 Special Full Board meeting and the March 21, 2007 Full Board meeting.

On a motion by Commissioner Woodruff-White and a second by Commissioner Jones, the minutes of the March 1, 2007 Special Full Board meeting were approved; and on a motion by Commissioner Miller and seconded by Commissioner Woodruff-White the minutes of the March 21, 2007 Full Board meeting were approved.

CHAIRMAN'S REPORT

The Chair recognized Commissioner Terri P. Ricks. Ms. Ricks gave a brief history of her association with the Agency, beginning with the first position she held with the Agency, concluding with her appointment to the Board of Commissioners and being elected Vice-Chair. Commissioner Ricks announced she would be not be returning to serve on the Board, and Lisa Woodruff-White, who had been serving as her temporary replacement, would now be the Department of Social Service's permanent representative. The Chairman expressed sincere appreciation to Commissioner Ricks for her dedicated years of service to the Agency as well as her commitment to the Board.

The Chairman touched upon the Legislative Conference in Washington. He stated we had a very comprehensive package of what we wanted to accomplish, and are well on our way to accomplishing most of our goals. We have commitments from certain Congressmen to do certain things that will help us do what we do. He thanked President Milton Bailey, Brenda Evans, and staff for putting that comprehensive package together.

The Chairman continued, stating a few things had confronted the Agency in the last few weeks. But the whole focus is to make sure we provide affordable housing to low and moderate income citizens, and we could continue to do so. Some concerns had been raised, he stated, by communities in which we place our low income housing tax credits. Chairman Woods stated that the process that the Agency followed was open to the public comment. We want to be concerned about what we are placing in people's communities, make sure the communities know what it is that we do, and how we do it.

PRESIDENT'S REPORT

President Bailey also commented on our efforts in Washington. Wayne Neveu, Brenda Evans and staff worked side-by-side developing some of the major concerns associated with the redevelopment of Louisiana, particularly from a housing finance perspective. We followed the Governor in her travel to Washington where she presented the package to representatives of Congress.

Our suggestions fall in two major categories, Mr. Bailey stated: what we need right away; and what we need in terms of the future. He advised that he was given opportunity to address members of the House Ways and Means Joint Committee on Taxation, as well as individual representatives from the House. There were 3 primary acts that we went forward with; one of which was an A and B situation: (1) was to extend the place in service dates in connection with developing properties in the GO Zone to 2010; (2) to simplify the scope of bond financed rehabilitation within the GO Zone; and (3) to request Congress considers reconciling an interpretative issue as it relates to use of Community Development Block Grants that was provided to the state in the form of emergency relief assistance, to have those funds treated as regular or normal CDBG funds pursuant to the appropriation.

Mr. Bailey announced that Bill HR1562: Katrina Housing Relief Act of 2007 was submitted. We are continuing in our lobbying efforts to assure that all members of Congress receive a request to support that legislation and to provide Louisiana and its citizens the relief needed in order to do a comprehensive, thorough job associated with our recovery efforts. There is a companion bill called HR1427 that would take 5% of Fannie Mae & Freddie Mac's profits at the end of the year, which is anticipated to be roughly in the first year, about \$500,000,000, and invest them specifically with the LHFA. 75% of those funds in the first year would be dedicated to Louisiana with 25% going to Mississippi. In years, 2, 3, 4 and 5 other Gulf States would be brought into the fund, and would receive a proportion of share.

Mr. Bailey suggested to the Board that each Board member contact their Representatives in Congress and the Senate, and perhaps do a mass mailing to Congressional members, abdicating their support on behalf of HR1562 and HR1427.

Mr. Bailey stated it was his understanding Senator Landrieu is in the process of developing a piece of legislation that would provide for supporters of supportive housing. It will provide up to 4,000 units of affordable housing, or permanent supportive housing vouchers for the most needy of our community, persons with disabilities. Of that 4,000 roughly 3,000 should be made available to the state of Louisiana.

Vice President James Gilmore continued the President's Report, giving an update on activities going on at the Agency. He invited the Board to visit our updated website and offer feedback and comments.

He noted Special Programs did not meet but staff was in receipt of applications offered through the CHDO Initiative. The applications are being reviewed and that letters of deficiencies would be going out to be followed by award letters.

Mr. Gilmore introduced the Board to The Hurricane Cottage concept, which was initially introduced to them about 2 months ago. Louisiana was awarded \$75 million from FEMA to produce an alternative to the FEMA trailers. Present at the meeting were several of our partners working on this project: Andres Duany, architect and designer of the Hurricane Cottage, and partners from LRA, Jeff Hebert, Director of Planning; Shaun Riley, Governor Relations Liaison; the Cypress Group and some of their team members, the Shaw Group and the Louisiana Family Recovery Corp.

Project background and a very detailed presentation of the project followed.

At the conclusion Commissioner Kennedy thanked the group for coming, stating he had read about the work and thought it to be extraordinary. He commented it is so much better than what our people have. He asked what we can do to help get it moving. Chairman Woods stated the Board needs to take action today. The Governor's Office has asked us to administer this program. If we endorse the program we would enter into an agreement with Cypress Partners to begin the assembly of the land and the development. That is what we could do today to move it along, he stated.

Commissioner Broussard commented it was feasible, but questioned the 35 units per acre. He asked how much money we are talking about in comparison to FEMA trailers.

Labor and material to build a single unit, from foundation to a completed home would cost \$102 per square foot, without the property. The only site anticipated where they would have to spend funds to acquire property is in Abbeville.

Commissioner Jones was not clear if the Board was being asked today to approve the project and authorize the president to negotiate a partnership agreement, or being asked to authorize the president to enter into one. She stated she would like to see the agreement come back to the Board. She is ready to go forward with that negotiation but not necessarily to approve an agreement she has not seen.

Vice President Gilmore responded that we are in the draft mode of a corporate agreement with the Cypress Group, so we will send that to the Board and to the Legal Committee prior to authorization.

Commissioner Austin inquired who would obtain ownership of the property? Vice President Gilmore responded that in the corporate agreement it was decided the Cypress Group would be responsible for all of that type of work. What FEMA was attracted to is that this project could become a home ownership opportunity... and that is something that the Governor has emphasized. We have been discussing the possibility of the Cypress group creating a holding company or some type of group organization to inherit it after the 18 or 24 months FEMA required, that LHFA and the Cypress Group manage these properties afterwards. FEMA is allowing us to do whatever we want to do with them, Mr. Gilmore stated.

We have discussed various mechanisms for LHFA to get involved post 18-24 months; however, we have some legal recommendations that perhaps the liabilities aren't something that LHFA wants to get involved in long-term. We are looking at creating a holding company close to 24

months to hold the properties and then either work out a partnership with the local governments to take over the property, or possibly donate to a non profit. These are some of the ideas being discussed.

Extensive question and answer period followed, including: costs, state building code, parking, management, if the Agency could use as a home ownership program and let that be the exit strategy to create a home ownership option, what component would be ADA compliant, what is the FEMA status of people who are going to be placed in these units, etc.

Motion to suspend the rules to add this item to the Agenda by Commissioners Woodruff-White and seconded by Commissioner Kennedy.

APPROVED: On a motion by Commissioner Lisa Woodruff-White and seconded by Commissioner Jones to approve the Katrina Cottage project as presented and authorize the president and staff to negotiate a Memorandum of Understanding and/or partnership agreement with Cypress Partners, which agreement shall be submitted for approval to the Legal Committee and submitted to the Board for final approval.

Mr. Gilmore commented the Agency has attended 3 groundbreaking ceremonies over the past couple of weeks, and noted other developers are inviting us to groundbreakings. Much work is being done and he encouraged the Board's participation in these events.

SINGLE FAMILY COMMITTEE REPORT

In the interest of time, the Chairman dispensed with the Single Family Committee Report as there were no items that required action.

MULTIFAMILY COMMITTEE REPORT

Several resolutions came before the Board for approval:

On a motion by Commissioner Madderra and seconded by Commissioner Miller, the following resolution was approved:

RESOLUTION: A resolution accepting the proposal of Banc of America Securities, Inc., for the purchase of not exceeding Twenty-two Million Dollars (\$22,000,000) of Louisiana Housing Finance Agency Multifamily Housing Revenue Bonds (Tanglewood Apartments Project) in one or more series; fixing the 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; approving the form of the Official Statement with respect to said Bonds; and providing for other matters in connection with the foregoing.

On a motion by Commissioner Madderra and seconded by Commissioner Miller, the following resolution was approved:

RESOLUTION: A resolution authorizing not exceeding \$8,500,000 Multifamily Housing Refunding Bonds (Legacy Heights) in one or more series; and providing for other matters in connection therewith.

Discussion of the State's 2007/2008 Per Capita Draft QAP followed. Commissioner Madderra noted in committee the date of the Public Hearing was discussed. He suggested moving the April Board meeting back one week to April 18, 2007 and having the Public Hearing on the QAP on April 11, 2007.

Also discussed in Committee was having a point category as it relates to public housing authorities, giving them additional points since we have eliminated the set-aside for them. That was an omission from the draft but would be in the published draft.

On a motion by Commissioner Madderra and a second by Commissioner Jones, with the amendments discussed, the following was approved:

RESOLUTION: A resolution providing for approval of the State's 2007/2008 Per Capita Draft Qualified Allocation Plan and providing for other matters in connection therewith.

On a motion by Commissioner Madderra and seconded by Commissioner Jones the following was approved:

RESOLUTION: A resolution approving the Operating Deficit Loan Program to provide for relief from unanticipated insurance premium increases in connection with affordable residential rental developments allocated credits from the 2006, 2007 or 2008 credit ceiling; and providing for other matters in connection with the foregoing.

ENERGY COMMITTEE REPORT

The Energy Committee Report was not given.

HUMAN RESOURCES COMMITTEE

The Chairman commented the Human Resources Committee did not meet today, but they will have evaluation of the President and Vice President. Commissioners will receive an e-mail regarding that matter. It was also pointed out that Policy Revisions will be taken up at the next meeting (provided in the binders).

On a motion by Commissioner Woodruff-White and seconded by Commissioner Broussard, there being no further business, the meeting was adjourned.