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# Louisiana Housing Finance Agency



## Budget & Finance

Rene Landry, CFO

March 4, 2009

## Table of Contents

Memorandum to Commissioners .....	3
Agenda .....	4
Minutes .....	5

MEMORANDUM

**To:** Chairman: Mayson Foster  
Commissioner Michael Airhart  
Commissioner John N. Kennedy  
Commissioner Robert Pernel  
Commissioner Guy T. Williams

**From:** Rene Landry, CFO

**Date:** March 4, 2009

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There will be a Budget & Finance Committee meeting prior to the Board meeting on Wednesday, March 11, 2009, at 8:30 a.m., Committee Room I. The Committee will discuss the Revenue Section of FYE June 30, 2009 budget.

If you have any questions, please feel free to contact me.

RL/lb

March 4, 2009

**Budget & Finance Committee Meeting**

Notice is hereby given of a regular meeting of the Budget & Finance Committee to be held on **Wednesday, March 11, 2009 at 8:30 A.M.**, Louisiana Housing Finance Agency, Committee Room I, located at 2415 Quail Drive, Baton Rouge, LA by order of the Chairman.

**Preliminary Agenda**

1. Call to order, roll call and introduction of guests
2. Approval of the Minutes of the February 11, 2009 Budget & Finance Committee
3. Discussion of Draft Revenues Section of FYE June 30, 2010 Budget
4. Other Business
5. Adjournment

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Milton J. Bailey, President

Budget & Finance  
Wednesday, February 11, 2009  
2415 Quail Drive  
Committee Room I  
Baton Rouge, LA 70808  
8:30 A.M.

Commissioners Present

Mayson H. Foster, Chairman  
Michael L. Airhart  
Katie Anderson  
Robert Pernell

Commissioners Absent

John N. Kennedy  
Guy T. Williams

Staff Present

Rene Landry  
Terri Ricks  
Kip Anderson  
Nicole Mack  
Lourie Brown  
Milton Bailey  
Charlette Minor  
Brenda Evans

The regular meeting of the Louisiana Housing Finance Agency Budget & Finance Committee was called to order at approximately 8:35 a.m. on February 11, 2009, by Chairman Mayson Foster.

Chairman Foster called for a motion to approve the March 12, 2008 Budget & Finance Committee meeting minutes.

Upon motion by Commissioner Airhart and seconded by Commissioner Anderson, the minutes of the March 12, 2008 Budget & Finance Committee were unanimously approved.

Chairman Foster called upon Rene Landry to open discussion on the proposed resolution to amend the 2009 budget. Charlette Minor joined him and the Commissioners in an

interactive discussion relating to the Neighborhood Stabilization Program (NSP) and the HOME Program, as well as discussion on other Revenue and Expense adjustments.

Chairman Foster commented and called for a vote on the resolution thereof:

**A resolution is hereby approved to amend the Louisiana Housing Finance Agency Operating Budget for the Fiscal Year Ending June 30, 2009 (attached Exhibit A, entitled ‘Louisiana Housing Finance Agency 2009 Amended Operating Budget.’)**

Upon motion by Commissioner Anderson and seconded by Commissioner Airhart the resolution was unanimously approved.

Chairman Foster asked Mr. Landry to open discussion on the upcoming 2010 budget process. Following the discussion, Chairman Foster recommended that the Committee should meet in March to discuss revenues; and April for expenditures, with a planned recommendation to the Full Board for a resolution calling for adoption of the 2010 budget at the May meeting. Mr. Landry indicated that Chairman Foster may modify the schedule if circumstances warrant, as a resolution for adoption is due prior to July 1, 2009.

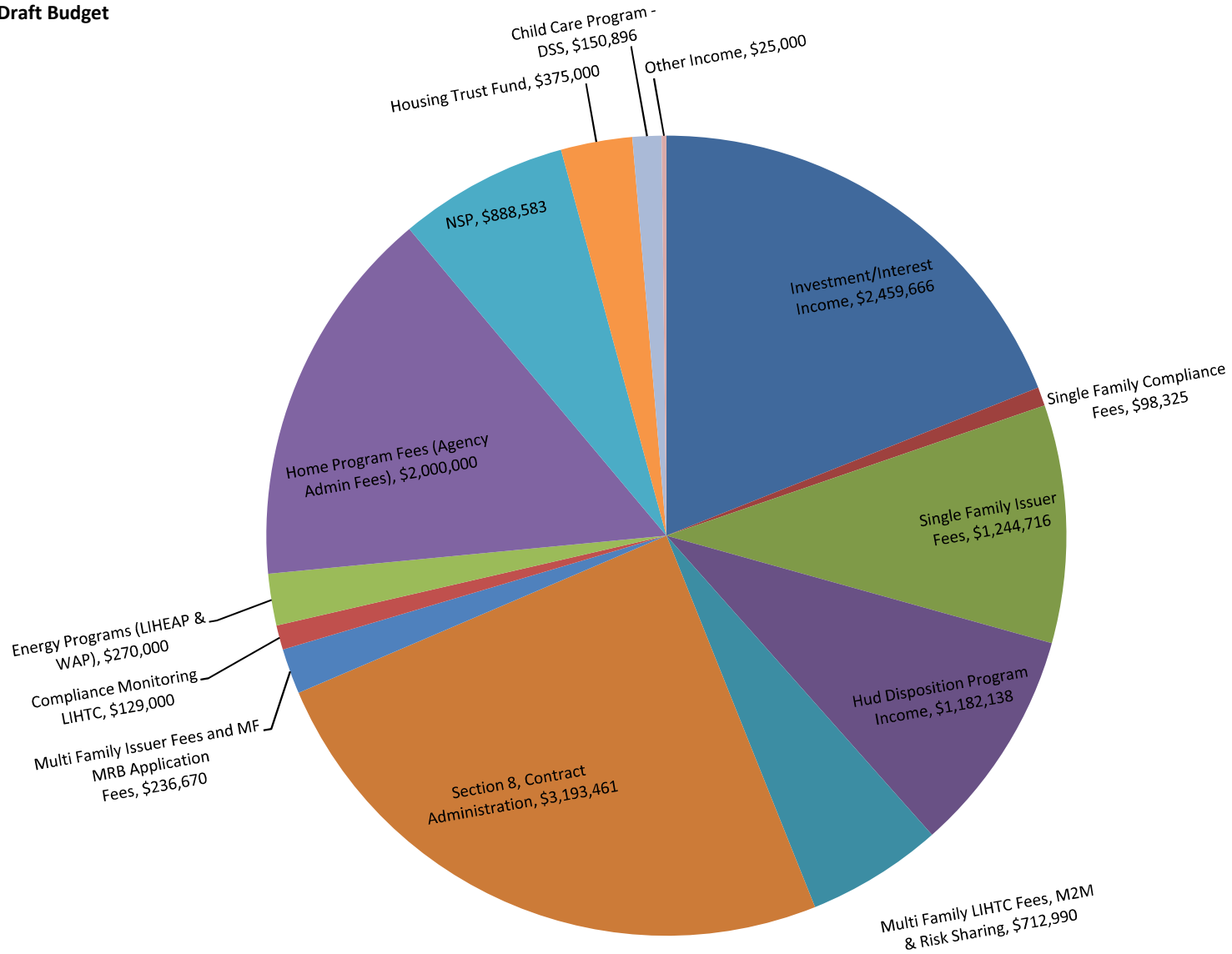
Chairman Foster asked if there was any additional business to come before the Committee. There being no additional business to discuss, the meeting was adjourned at approximately 8:53 a.m.

**LOUISIANA HOUSING FINANCE AGENCY**  
**Draft Fiscal Year Ending June 30, 2010 Operating Budget**  
**(March 11, 2009)**

Exhibit A

<u>Operating Revenue</u>	<u>Worksheet</u>	<u>FY 08/09 BUDGET</u>	<u>FY 08/09 PROJECTED YEAR END</u>	<u>PROJECTED FY 08/09 (UNDER)/OVER BUDGET</u>	<u>FY 09/10 REQUESTED BUDGET</u>	<u>% INCREASE (DECREASE) OVER FY09</u>
Investment/Interest Income	FC-9	\$ 2,629,835	\$ 1,770,786	\$ (859,049)	\$ 2,459,666	(6.47%)
Single Family Compliance Fees	FC-10	98,325	72,500	(25,825)	98,325	0.00%
Single Family Issuer Fees	FC-11	1,379,804	1,401,328	21,525	1,244,716	(9.79%)
Hud Disposition Program Income	FC-12	202,388	67,890	(134,498)	1,182,138	484.10%
Multi Family LIHTC Fees, M2M & Risk Sharing	FC-13	2,045,000	2,487,706	442,706	712,990	(65.13%)
Section 8, Contract Administration	FC-13	3,018,561	3,219,405	200,844	3,193,461	5.79%
Multi Family Issuer Fees and MF MRB Application Fees	FC-14	231,122	255,994	24,873	236,670	2.40%
Compliance Monitoring LIHTC	FC-15	137,469	130,000	(7,469)	129,000	(6.16%)
Energy Programs (LIHEAP & WAP)	FC-15	196,741	296,122	99,381	270,000	37.24%
Home Program Fees (Agency Admin Fees)	FC-16	2,247,048	2,247,048	-	2,000,000	(10.99%)
NSP	FC-16	459,916	459,916	-	888,583	93.21%
Housing Trust Fund	FC-16	1,000,000	1,000,000	-	375,000	(62.50%)
Child Care Program - DSS	FC-16	900,000	900,000	-	150,896	(83.23%)
Other Income	FC-16	25,000	192,838	167,838	25,000	0.00%
<b>Total Operating Revenue</b>		<b>\$ 14,571,208</b>	<b>\$ 14,501,533</b>	<b>\$ (69,675)</b>	<b>\$ 12,966,446</b>	<b>(11.01%)</b>

**Louisiana Housing Finance Agency  
Budgeted Revenues Chart  
for Fiscal '10 Draft Budget**



**LOUISIANA HOUSING FINANCE AGENCY**  
**Draft Fiscal Year Ending June 30, 2010 Operating Budget**  
**(March 11, 2009)**

	Fiscal '07 Actuals	Fiscal '08 Actuals	FY 08/09 BUDGET	FY 08/09 PROJECTED ACTUALS	FY 09/10 REQUESTED BUDGET	% INCREASE (DECREASE) OVER FY09
<b><u>Investment Income</u></b>						
U.S. Short Term MM		3,675	3,926	36,983	3,037	100%
U.S. Government Securities		2,939,111	2,518,892	1,624,063	2,350,330	
<b>Total Investment Income</b>	<b>\$ 2,713,964</b>	<b>\$ 2,942,786</b>	<b>\$ 2,522,818</b>	<b>\$ 1,661,046</b>	<b>\$ 2,353,367</b>	<b>(6.68%)</b>
<b><u>Interest on Notes Receivable</u></b>						
U.S. HUD Risk Sharing Loans	100,802	102,966	107,017	109,740	105,384	(1.53%)
<b>Total Notes Receivable Interest</b>	<b>\$ 100,802</b>	<b>\$ 102,966</b>	<b>\$ 107,017</b>	<b>\$ 109,740</b>	<b>\$ 105,384</b>	<b>(1.53%)</b>
<b>Total Investment Income</b>	<b>\$ 2,814,766</b>	<b>\$ 3,045,752</b>	<b>\$ 2,629,835</b>	<b>\$ 1,770,786</b>	<b>\$ 2,459,666</b>	<b>(6.47%)</b>

**LOUISIANA HOUSING FINANCE AGENCY**  
**Draft Fiscal Year Ending June 30, 2010 Operating Budget**  
**(March 11, 2009)**

	Assumptions		Fiscal '07 Actuals	Fiscal '08 Actuals	FY 08/09 BUDGET	FY 08/09 PROJECTED ACTUALS	FY 09/10 REQUESTED BUDGET	% INCREASE (DECREASE) OVER FY09
	FY 09	FY 10						
<b>Single Family Compliance Fees</b>								
Average Loan Size	\$ 125,789	\$ 125,789						
Number of Loans	1,192	1,192						
Add 10% for reviewed and turned down	119	119						
Total Loans reviewed	1,311	1,311						
Fee/Loan:	\$ 75	\$ 75						
<b>Total Single Family Compliance Fees</b>	<b>\$ 98,325</b>	<b>\$ 98,325</b>	<b>\$ 207,475</b>	<b>\$ 174,650</b>	<b>\$ 98,325</b>	<b>\$ 72,500</b>	<b>\$ 98,325</b>	<b>0.00%</b>
Number of Single Family Programs	3	3						
Bond Issue per Program	\$ 50,000,000	\$ 50,000,000						
<b>Total Single Family Bonds Issued</b>	<b>\$ 150,000,000</b>	<b>\$ 150,000,000</b>						

**LOUISIANA HOUSING FINANCE AGENCY**  
**Draft Fiscal Year Ending June 30, 2010 Operating Budget**  
**(March 11, 2009)**

<u>Single Family Issuer Fees</u>	<u>Trustee</u>	<u>Fiscal '07 Actuals</u>	<u>Fiscal '08 Actuals</u>	<u>FY 08/09 BUDGET</u>	<u>FY 08/09 PROJECTED ACTUALS</u>	<u>FY 09/10 REQUESTED BUDGET</u>	<u>% INCREASE (DECREASE) OVER FY09</u>
94 B Access	JP Morgan			335	305		(100.00%)
96 B	JP Morgan			8,100	4,029	5,010	(38.14%)
96 D1 & D2	JP Morgan			4,371	2,119	2,621	(40.03%)
97 A1 A2	JP Morgan			15,249	16,732	11,348	(25.59%)
97 B	JP Morgan			14,560	15,011	9,028	(38.00%)
97 C	JP Morgan			17,271	18,243	11,067	(35.92%)
98 A	Hancock			18,807	18,395	13,333	(29.11%)
98 B	Hancock			18,401	18,802	11,935	(35.14%)
99 A	Hancock			12,500	12,690	6,988	(44.09%)
99 B	Hancock			14,217	14,949	10,007	(29.61%)
99 C	Hancock			1,131	1,139	715	(36.79%)
99 D	Hancock			9,481	9,847	5,407	(42.97%)
00A	Hancock			6,814	7,073	3,762	(44.79%)
00 B	Hancock			15,750	17,091	10,973	(30.33%)
00 D	Hancock			8,350	8,065	4,586	(45.08%)
01A	Hancock			17,137	17,810	10,428	(39.15%)
01 B	Hancock			10,339	10,431	6,539	(36.76%)
01 C	Hancock			17,750	18,853	12,373	(30.29%)
01 D	Hancock			15,213	16,100	11,068	(27.25%)
02A	Hancock			39,149	41,848	26,331	(32.74%)
02B	Hancock			6,542	12,169	12,434	90.07%
03A	Hancock			18,154	13,145	4,043	(77.73%)
03B	Hancock			11,031	12,032	7,865	(28.70%)
04A	Hancock			18,068	19,745	13,183	(27.04%)
04B	Hancock			16,733	18,052	12,198	(27.10%)
04C	Hancock			15,897	17,084	11,400	(28.29%)
05A	Hancock			29,083	31,358	21,861	(24.83%)
06A	Hancock			155,782	172,624	125,216	(19.62%)
06B	Hancock			103,100	109,305	80,648	(21.78%)
06C	Hancock			143,135	138,963	106,674	(25.47%)
06D	Hancock			250,944	247,064	188,167	(25.02%)
07A	Hancock			90,268	87,919	126,146	39.75%
07B	Hancock			56,643	55,749	79,850	40.97%
07C	Hancock			199,496	196,585	281,514	41.11%
<b>Total Single Family Issuer Fees</b>		<b>\$ 553,442</b>	<b>\$ 586,052</b>	<b>\$ 1,379,804</b>	<b>\$ 1,401,328</b>	<b>\$ 1,244,716</b>	<b>(9.79%)</b>

**LOUISIANA HOUSING FINANCE AGENCY**  
**Draft Fiscal Year Ending June 30, 2010 Operating Budget**  
**(March 11, 2009)**

	Fiscal '07 Actuals	Fiscal '08 Actuals	Budgeted FY 08/09	FY 08/09 Projected Actuals	Budget FY 09/10	% INCREASE (DECREASE) OVER FY09
<b>HUD Disposition Properties</b>						
<b>Village De Jardin (Gaslight) Apartments</b>						
Gross Revenue		-	-	-	-	100.00%
Admin Exp			45,251	-	62,000	100.00%
Utilities			29,500	-	12,000	100.00%
Operating & Maintenance			150,000	10,000	10,000	(93.33%)
Taxes & Insurance			134,754	140,823	11,675	(91.34%)
Capital Improvements						NA
Total Expenses			359,505	150,823	95,675	(73.39%)
<b>Excess revenue over expenses</b>	<b>(276,321)</b>	<b>(170,863)</b>	<b>(359,505)</b>	<b>(150,823)</b>	<b>(95,675)</b>	<b>NA</b>
<b>Willowbrook Apartments</b>						
Gross Revenue			1,909,400	1,485,512	2,882,074	50.94%
Admin Exp			407,933	309,679	809,180	98.36%
Utilities			232,800	298,318	227,218	(2.40%)
Operating & Maintenance			400,800	507,837	343,683	(14.25%)
Taxes & Insurance			305,974	150,965	224,179	(26.73%)
Capital Improvements			-	-	-	NA
Total Expenses			1,347,507	1,266,799	1,604,261	19.05%
<b>Excess revenue over expenses</b>	<b>(409,591)</b>	<b>(832,497)</b>	<b>561,893</b>	<b>218,713</b>	<b>1,277,813</b>	<b>127.41%</b>
<b>Total excess revenue over expenses</b>	<b>\$ (685,912)</b>	<b>\$ (1,003,360)</b>	<b>\$ 202,388</b>	<b>\$ 67,890</b>	<b>\$ 1,182,138</b>	<b>484.10%</b>

**LOUISIANA HOUSING FINANCE AGENCY**  
**Draft Fiscal Year Ending June 30, 2010 Operating Budget**  
**(March 11, 2009)**

	Fiscal '07 Actuals	Fiscal '08 Actuals	FY 08/09 BUDGET	FY 08/09 PROJECTED ACTUALS	FY 09/10 REQUESTED BUDGET	% INCREASE (DECREASE) OVER FY09
<b><u>Multi Family Low Income Housing Tax Credit</u></b>						
Reservation Fee 5 % ( a/k/a Cr. Award/Allocation)	\$ 7,744,878	\$ 1,268,953	\$ 1,515,000	\$ 2,154,452	\$ 600,000	(60.40%)
Application and Reprocessing Fee:	560,218	305,096	300,000	206,754	25,000	(91.67%)
Analysis Fee (100% to Foley & Judell):	299,000	175,250	100,000	70,250	25,000	(75.00%)
Subsidy Layering Fee	21,500	-	10,000	6,250	10,000	0.00%
ARRA TC Funding					-	
<b>Total LIHTC Fees</b>	<b>\$ 8,625,595</b>	<b>\$ 1,749,299</b>	<b>\$ 1,925,000</b>	<b>\$ 2,437,706</b>	<b>\$ 660,000</b>	<b>(65.71%)</b>
<b>General Note:</b>						
<b><u>Mark to Market</u></b>						
FEEs	<b>\$ 214,120</b>	<b>\$ 224,033</b>	<b>\$ 120,000</b>	<b>\$ 50,000</b>	<b>\$ 52,990</b>	<b>(55.84%)</b>
<b>Total MF LIHTC Fees &amp; Mark-to-Market</b>	<b>8,839,715</b>	<b>1,973,332</b>	<b>2,045,000</b>	<b>2,487,706</b>	<b>712,990</b>	<b>(65.13%)</b>
<b>Section 8, Contract Administration</b>						
Base Fee on FMR 2 Bdr (14,571 units, 185 properties) - 2%	\$ 1,795,783	\$ 2,037,983	\$ 2,012,374	\$ 2,146,270	\$ 2,128,974	5.79%
Incentive Fees - 1%	897,891	1,018,991	1,006,187	1,073,135	1,064,487	5.79%
<b>Base &amp; Incentive Fees</b>	<b>\$ 2,693,674</b>	<b>\$ 3,056,974</b>	<b>\$ 3,018,561</b>	<b>\$ 3,219,405</b>	<b>\$ 3,193,461</b>	<b>5.79%</b>

**LOUISIANA HOUSING FINANCE AGENCY**  
**Draft Fiscal Year Ending June 30, 2010 Operating Budget**  
**(March 11, 2009)**

<u>Multi-Family Issuer Fees</u>	<u>Fiscal '07 Actuals</u>	<u>Fiscal '08 Actuals</u>	<u>FY 08/09 BUDGET</u>	<u>FY 08/09 PROJECTED ACTUALS</u>	<u>FY 09/10 REQUESTED BUDGET</u>	<u>% INCREASE (DECREASE) OVER FY09</u>
Azalea Lakes/HCCI Assisted Living			\$ 15,410	\$ 15,410	\$ 15,235	(1.14%)
Arbor Place			-	8,440	8,440	100%
Emerald Point 2007			3,090	4,680	4,680	51.46%
Galilee 2003			3,183	3,198	3,168	(0.47%)
Malta Square 1997			5,350	1,349	-	(100.00%)
Melrose 2002			4,016	4,016	3,925	(2.26%)
New Orleanian 1988			3,632	3,632	3,560	(1.98%)
Palmetto			3,140	3,140	3,140	0.00%
Peppermill Apartments Ph II			4,585	4,560	4,505	(1.74%)
Restoration 2002			4,665	4,665	4,665	0.00%
St. Dominic/Malta Park			3,853	3,853	3,809	(1.14%)
Tower Oaks			937	937	705	(24.77%)
Villa Maria 2003			-	1,844	-	100%
Woodward Wight 2003			8,955	8,955	8,955	0.00%
Walmsley			5,075	5,075	5,075	0.00%
202 Elderly Projects			90,000	90,000	75,000	(16.67%)
The Crossing Apartments			7,500	7,500	7,500	0.00%
Hooper Pointe			10,250	10,250	10,182	(0.66%)
Meadowbrook			5,165	5,165	5,105	(1.16%)
Ridgefield Apartments			8,400	8,400	8,208	(2.29%)
Canterbury			16,000	16,000	16,000	0.00%
Plantation			5,590	5,640	5,540	(0.89%)
Jefferson Lakes Apts			14,900	14,900	14,900	0.00%
Lapalco Apts			6,400	6,400	6,400	0.00%
Spanish Arms			-	8,770	8,770	NA
Reserves @ Jefferson Crossing			-	8,190	8,190	NA
Restoration V & VI			1,027	1,027	1,015	(1.17%)
<b>Total Multi-Family Issuer Fees</b>	<b>\$ 189,440</b>	<b>\$ 167,240</b>	<b>\$ 231,122</b>	<b>\$ 255,994</b>	<b>\$ 236,670</b>	<b>2.40%</b>

**LOUISIANA HOUSING FINANCE AGENCY**  
**Draft Fiscal Year Ending June 30, 2010 Operating Budget**  
**(March 11, 2009)**

	Fiscal '07 Actuals	Fiscal '08 Actuals	FY 08/09 BUDGET	FY 08/09 PROJECTED ACTUALS	FY 09/10 REQUESTED BUDGET	% INCREASE (DECREASE) OVER FY09
<b><u>Compliance Monitoring LIHTC</u></b>						
LIHTC Compliance	\$ 181,284	\$ 130,422	\$ 137,469	\$ 130,000	\$ 129,000	(6.16%)
<b>Total LIHTC Compliance Fees</b>	<b>\$ 181,284</b>	<b>\$ 130,422</b>	<b>\$ 137,469</b>	<b>\$ 130,000</b>	<b>\$ 129,000</b>	<b>(6.16%)</b>
<b><u>Energy Programs Admin Fees</u></b>						
DHHS/LIHEAP funds	\$ 163,497	\$ 348,637	\$ 167,507	\$ 296,122	\$ 220,000	31.34%
DOE funds	99,233	23,033	17,234	-	38,000	120.49%
ARRA DOE funds					-	
2009 Travel/Technical Asst. Funds - WAP			12,000	-	12,000	NA
<b>Total Energy Program Admin Fees</b>	<b>\$ 262,730</b>	<b>\$ 371,670</b>	<b>\$ 196,741</b>	<b>\$ 296,122</b>	<b>\$ 270,000</b>	<b>37.24%</b>

**LOUISIANA HOUSING FINANCE AGENCY**  
**Draft Fiscal Year Ending June 30, 2010 Operating Budget**  
**(March 11, 2009)**

	Fiscal '07 Actuals	Fiscal '08 Actuals	FY 08/09 BUDGET	FY 08/09 PROJECTED ACTUALS	FY 09/10 REQUESTED BUDGET	% INCREASE (DECREASE) OVER FY09
<b><u>HOME Program Agency Administration Fees</u></b>						
Based on allowable cost and the benefit to the program.	\$ 2,431,602	\$ 2,403,872	\$ 2,247,048	\$ 2,247,048	\$ 2,000,000	(10.99%)
<b>Total For HOME Program</b>	<b>\$ 2,454,802</b>	<b>\$ 2,422,072</b>	<b>\$ 1,875,000</b>	<b>\$ 2,247,048</b>	<b>\$ 2,000,000</b>	<b>6.67%</b>
<b><u>NSP</u></b>						
Admin based upon direct expenses to the program	\$ -	\$ -	\$ 459,916	\$ 431,616	\$ 888,583	93.21%
ARRA NSP Funding	-	-	-	-	-	-
<b>Total For NSP</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 459,916</b>	<b>\$ 431,616</b>	<b>\$ 888,583</b>	<b>93.21%</b>
<b><u>Child Care Program</u></b>						
Admin	\$ -	\$ 216,000	\$ 900,000	\$ 900,000	\$ 150,896	100%
<b>Total For Child Care Program</b>	<b>\$ -</b>	<b>\$ 216,000</b>	<b>\$ 900,000</b>	<b>\$ 900,000</b>	<b>\$ 150,896</b>	<b>(83.23%)</b>
<b><u>Housing Trust Fund</u></b>						
Admin	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 375,000	100%
<b>Total For Housing Trust Fund</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 400,000</b>	<b>\$ 1,000,000</b>	<b>\$ 375,000</b>	<b>100.00%</b>
<b><u>Other Income</u></b>						
Lease rental revenue - Ethics	\$ 141,212	\$ 141,212	\$ -	\$ 58,838	\$ -	NA
Miscellaneous	178,370	165,868	25,000	134,000	25,000	0.00%
<b>Total Other Income</b>	<b>\$ 319,582</b>	<b>\$ 307,080</b>	<b>\$ 25,000</b>	<b>\$ 192,838</b>	<b>\$ 25,000</b>	<b>0.00%</b>