
Louisiana Housing Finance Agency



BUDGET & FINANCE

Rene Landry, CFO

April 14, 2010

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MEMORANDUM

To: Chairman: Mayson Foster
Commissioner Michael Airhart
Commissioner John N. Kennedy
Commissioner Neal Miller
Commissioner Guy T. Williams

From: Rene Landry, CFO

Date: April 14, 2010

There will be a Budget & Finance Committee meeting prior to the Board meeting on Wednesday, April 14, 2010, at 8:30 a.m., Committee Room II. The Committee will discuss the Expenses & Capital Sections of FYE June 30, 2011 draft budget and the proposed Resolutions regarding the Outstanding Agency Office Building Bonds and Optional Redemption of Certain Single Family High Coupon Interest Rate Bonds.

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

RL/lb

April 7, 2010

BUDGET & FINANCE COMMITTEE MEETING

Notice is hereby given of a regular meeting of the Budget & Finance Committee to be held on **Wednesday, April 14, 2010 at 8:30 A.M.**, Louisiana Housing Finance Agency, **Committee Room II**, located at 2415 Quail Drive, Baton Rouge, LA by order of the Chairman.

AGENDA

1. Call to order, roll call, and introduction of guests.
2. Approval of the Minutes of the March 17, 2010 Budget & Finance Committee Meeting.
3. Discussion of **Expenses & Capital Sections of FYE June 30, 2011 Budget.**
4. Discussion and Resolution regarding **Outstanding Agency Building Bonds.**
5. Discussion and Resolution authorizing the Redemption of five million two hundred twenty five thousand dollars (**\$5,225,000**) of the Agency's **Single Family Indenture High Coupon Interest Rate Bonds.**
6. Other Business.
7. Adjournment.

Milton J. Bailey, LHFA President

If you require special services or accommodations, please contact Barry E. Brooks (225) 763 8773, or via email bbrooks@lhfa.state.la.us

Pursuant to the provisions of LSA-R.S. 42:6.1, upon two-thirds vote of the members present, the Board of Commissioners of the Louisiana Housing Finance Agency may choose to enter executive session, and by this notice, the Agency reserves its right to go into executive session as provided by law.

Budget & Finance Committee Meeting
Wednesday, March 17, 2010
2415 Quail Drive
Committee Room II
Baton Rouge, LA 70808
10:00 A.M.

Commissioners Present

Mayson Foster, Chairman
Michael Airhart
Alice Washington for Treasurer John Kennedy
Donald Vallee
Allison Jones

Commissioners Absent

Guy T. Williams
Neal Miller

Legal Counsel Present

Terri Ricks, Staff
Christine Bratkowski, Staff
Wayne Neveu, Foley & Judell
Jarrell Godfrey, The Godfrey Firm

Staff Present

Milton Bailey
Alesia Wilkins-Braxton
Rene Landry
Kip Anderson
Nicole Mack
Jatis Harrington
Brenda Evans
Charlette Minor
Lourie Brown

Others Present

Carliss Knesel
Buck Landry
Guy Yandel
Levi Davis
Larry Englande
Tim Rittenhouse

Hancock Bank
Morgan Keegan
George K. Baum
Seibert, Branford, Shank
George K. Baum
CSG Advisors

The regular meeting of the Louisiana Housing Finance Agency Budget & Finance Committee was called to order at approximately 10:07 a.m. on Wednesday, March 17, 2010, by Chairman Mayson Foster.

Chairman Foster called for a motion to approve the May 13, 2009 Budget & Finance Committee meeting minutes.

Upon motion by Ms. Alice Washington sitting in for Mr. John Kennedy and seconded by Commissioner Donald Vallee the minutes of the May 13, 2009 Budget & Finance Committee were unanimously approved.

Chairman Foster opened the floor to discussion of the Revenues Section of FY E June 30, 2011 budget, and recapped that the tentative schedule for adopting the upcoming year's budget included a review of revenues in March, expenses in April, with a recommendation in May to the Full Board for adoption of the budget. Rene Landry opened the discussion by addressing Investment Interest Income of which \$2.6 million in earnings is projected for FYE 2011.

Commissioner Vallee stated that he would like to see a cash flow analysis in income levels. He pointed out in particular the Willowbrook project. He suggested a monthly projection in earnings and questioned the twenty-three percent decrease in cash flow. Commissioner Vallee also questioned the number of times management has changed at Willowbrook and the decrease as opposed to increase in income.

Chairman Foster and Mr. Landry pointed out that all items are open to discussion, and many of the questions and concerns voiced today would be addressed at the April Committee meeting on Revenues and Expenditures.

Administrative fees relevant to the T-CAP, ARRA and 1602 Programs were also discussed.

Committee members suggested that more time be provided for the April meeting to discuss budget items in depth. Chairman Foster concurred.

Members of the Finance Team and Bond Counsel were called upon to discuss the recommendation to adopt a resolution to redeem the outstanding agency office building bonds. After lengthy discussion on the subject, Wayne Neveu of Foley & Judell summarized from an investment standpoint that "if you don't have an investment alternative to yield a return greater than the interest cost, it's prudent to pay it off."

Commissioner Vallee recommended that the matter be deferred to the April meeting. Chairman Foster confirmed with Mr. Landry that there is a thirty (30) day notification period in order to schedule a June 1, 2010 redemption, which would allow us to address the topic again at the April meeting.

Commissioner Airhart proposed a return to the rating agency based on the growth and assets of the Agency. Buck Landry of Morgan Keegan stated that in terms of cash utilization, it has been quite a few years since the Agency visited the rating agency. Rene Landry stated that the Agency's General Obligation Bond rating is currently A-2.

Chairman Foster moved to defer the resolution to the next meeting and to obtain something in writing from our financial advisors after consultation with all parties involved to give us recommendations.

On a motion by Commissioner Michael Airhart and a second by Commissioner Washington the following was deferred:

A resolution to authorize the redemption in full of the outstanding principal balance of \$5,225,000.00 of the Louisiana Housing Finance Agency's (the "Agency") General Revenue Office Building Bonds (the "Building Bonds") Series 2001, on June 1, 2010.

There being no other business to come before the Committee, Chairman Foster called for adjournment.

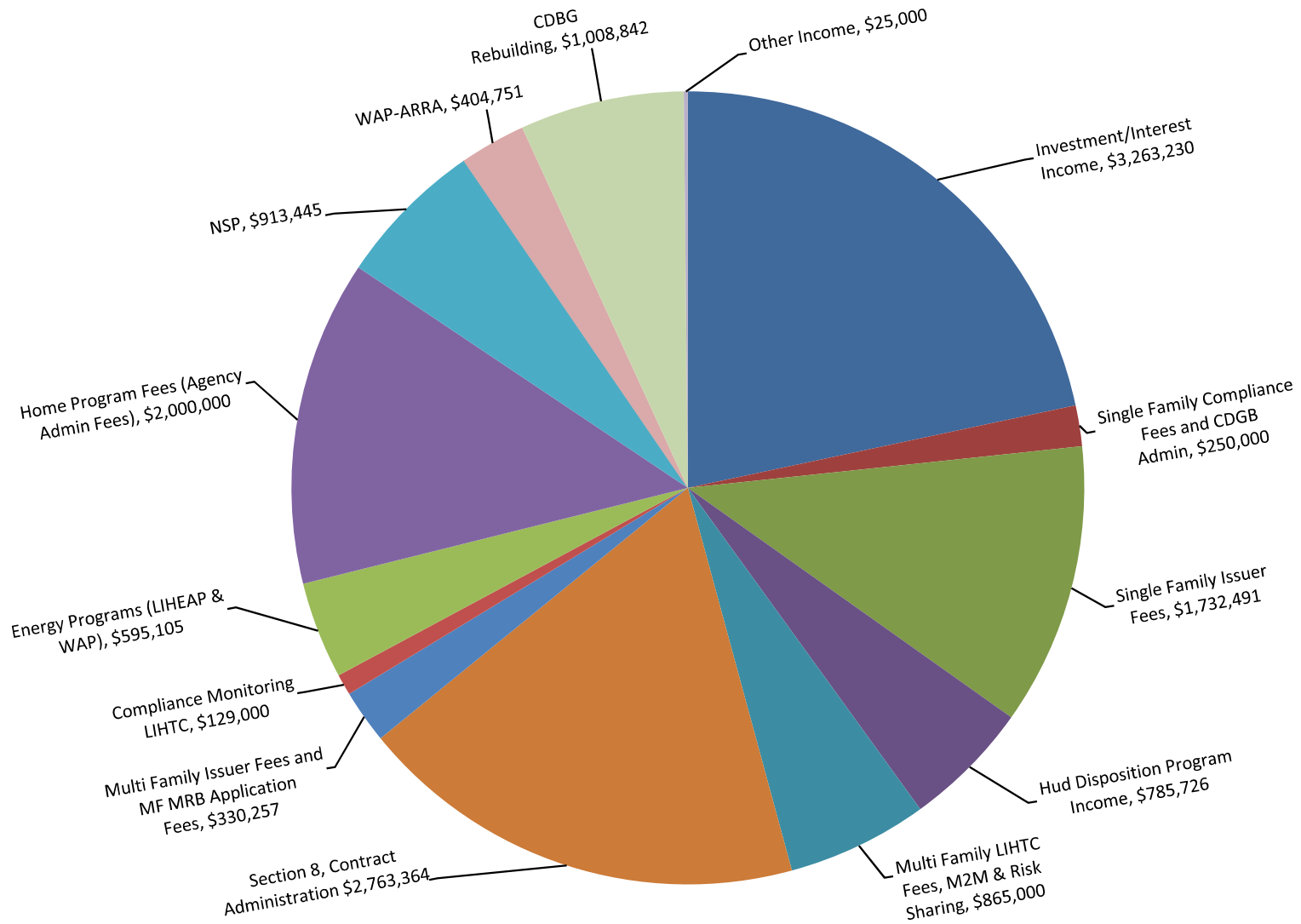
LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2011 Operating Budget

Worksheet

<u>Operating Revenue</u>	<u>Worksheet</u>	<u>FY 09/10 BUDGET</u>	<u>FY 10/11 BUDGET</u>	<u>% INCREASE (DECREASE) OVER FY10</u>
Investment/Interest Income	B&F-10	\$ 2,658,751	\$ 3,263,230	22.74%
Single Family Compliance Fees and CDGB Admin	B&F-11	103,725	250,000	141.02%
Single Family Issuer Fees	B&F-12	1,237,085	1,732,491	40.05%
Hud Disposition Program Income	B&F-13	1,182,138	785,726	(33.53%)
Multi Family LIHTC Fees, M2M & Risk Sharing	B&F-14	1,025,490	865,000	(15.65%)
Section 8, Contract Administration	B&F-14	3,193,461	2,763,364	(13.47%)
Multi Family Issuer Fees and MF MRB Application Fees	B&F-15	236,671	330,257	39.54%
Compliance Monitoring LIHTC	B&F-16	129,000	129,000	0.00%
Energy Programs (LIHEAP & WAP)	B&F-16	270,000	595,105	120.41%
Home Program Fees (Agency Admin Fees)	B&F-17	2,000,000	2,000,000	0.00%
NSP	B&F-17	878,583	913,445	3.97%
Child Care Program - DSS	B&F-17	150,896	-	(100.00%)
Housing Trust Fund	B&F-17	375,000	-	(100.00%)
WAP-ARRA	B&F-17	715,242	404,751	(43.41%)
CDBG Rebuilding	B&F-17	991,159	1,008,842	1.78%
Other Income	B&F-17	25,000	25,000	0.00%
Total Operating Revenue		\$ 15,172,201	\$ 15,066,211	(0.70%)
<u>Operating Expenses</u>				
Human Resources	B&F-19	\$ 9,282,008	\$ 9,740,541	4.94%
Travel & Training	B&F-20	562,500	455,499	(19.02%)
Operating Services	B&F-21	846,982	818,280	(3.39%)
Building Bond Interest	B&F-21	267,203	217,344	(18.66%)
Building Expenses	B&F-21	336,400	292,350	(13.09%)
Supplies	B&F-21	183,800	152,650	(16.95%)
Auditing	B&F-22	155,490	132,750	(14.62%)
Legal Services	B&F-22	198,000	198,000	0.00%
Professional Services	B&F-23	2,707,755	2,614,288	(3.45%)
Total Operating Expenses		\$ 14,540,138	\$ 14,621,702	0.56%
Excess Revenue Over Expenses From Operations		632,063	444,509	(29.67%)
Capital Expenditures	B&F-24	328,476	363,476	10.66%

LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2011 Operating Budget

**Budgeted Revenues Chart
for Fiscal '11 Draft Budget**



LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2011 Operating Budget

Worksheet

	<u>Fiscal '08</u> <u>Actuals</u>	<u>Fiscal '09</u> <u>Actuals</u>	<u>FY 09/10</u> <u>BUDGET</u>	<u>FY 09/10</u> <u>PROJECTED</u> <u>ACTUALS</u>	<u>FY 10/11</u> <u>REQUESTED</u> <u>BUDGET</u>	<u>% INCREASE</u> <u>(DECREASE)</u> <u>OVER FY10</u>
<u>Investment Income</u>						
U.S. Government Securities/Short Term MM	2,942,786	2,610,248	2,553,367	2,560,000	3,159,623	23.74%
Total Investment Income	\$ 2,942,786	\$ 2,610,248	\$ 2,553,367	\$ 2,560,000	\$ 3,159,623	23.74%
<u>Interest on Notes Receivable</u>						
U.S. HUD Risk Sharing Loans	102,966	111,430	105,384	105,400	103,607	(1.69%)
Total Notes Receivable Interest	\$ 102,966	\$ 111,430	\$ 105,384	\$ 105,400	\$ 103,607	(1.69%)
Total Investment/Interest Income	\$ 3,045,752	\$ 2,721,678	\$ 2,658,751	\$ 2,665,400	\$ 3,263,230	22.74%

LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2011 Operating Budget

Worksheet

	Fiscal '08 Actuals	Fiscal '09 Actuals	FY 09/10 BUDGET	FY 09/10 PROJECTED ACTUALS	FY 10/11 REQUESTED BUDGET	% INCREASE (DECREASE) OVER FY10
<u>Single Family Compliance Fees</u>						
Total Single Family Compliance Fees	\$ 174,650	\$ 62,575	\$ 103,725	\$ 50,000	\$ 50,000	(51.80%)
Total Single Family Bonds Issued						
<u>SF-CDBG Administrative Fees</u>						
SF-CDBG Funds - Admin	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000	NA
Total Single Family & SF-CDBG	\$ 174,650	\$ 62,575	\$ 103,725	\$ 250,000	\$ 250,000	141.02%

LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2011 Operating Budget

Worksheet

<u>Single Family Issuer Fees</u>	<u>Trustee</u>	<u>Fiscal '08 Actuals</u>	<u>Fiscal '09 Actuals</u>	<u>FY 09/10 BUDGET</u>	<u>FY 09/10 PROJECTED ACTUALS</u>	<u>FY 10/11 REQUESTED BUDGET</u>	<u>% INCREASE (DECREASE) OVER FY10</u>
97 A1 A2	JP Morgan			11,348	-	-	(100.00%)
97 B	JP Morgan			9,028	12,804	11,073	22.66%
97 C	JP Morgan			11,067	16,006	14,303	29.23%
98 A	Hancock			13,333	11,887	5,953	(55.35%)
98 B	Hancock			11,935	15,141	12,071	1.14%
99 A	Hancock			6,988	11,678	9,306	33.17%
99 B	Hancock			10,007	11,142	9,050	(9.57%)
99 C	Hancock			715	1,022	905	26.64%
99 D	Hancock			5,407	9,207	7,852	45.23%
00A	Hancock			3,762	6,190	4,457	18.47%
00 B	Hancock			10,973	6,913	1,405	(87.19%)
00 D	Hancock			4,586	6,638	4,126	(10.02%)
01A	Hancock			10,428	16,705	15,371	47.41%
01 B	Hancock			6,539	8,956	7,642	16.86%
01 C	Hancock			12,373	15,001	13,321	7.66%
01 D	Hancock			11,068	11,264	8,063	(27.15%)
02A	Hancock			26,331	35,918	31,468	19.51%
02B	Hancock			12,434	4,675	3,210	(74.18%)
03A	Hancock			4,043	14,485	11,435	0.00%
03B	Hancock			7,865	8,958	7,064	(10.18%)
04A	Hancock			13,183	15,899	13,371	1.43%
04B	Hancock			12,198	14,713	13,480	10.51%
04C	Hancock			11,400	12,825	9,395	(17.59%)
05A	Hancock			21,861	21,647	15,835	(27.57%)
06A	Hancock			125,216	120,105	100,912	(19.41%)
06B	Hancock			80,648	71,889	52,126	(35.37%)
06C	Hancock			106,674	109,313	93,839	(12.03%)
06D	Hancock			188,167	199,187	169,873	(9.72%)
07A	Hancock			126,146	164,517	139,534	10.61%
07B	Hancock			79,850	205,232	179,757	125.12%
07C	Hancock			281,514	280,293	261,153	(7.23%)
08A	Hancock			-	110,302	241,376	100%
08B	Hancock			-	65,195	128,918	100%
09A	Hancock			-	-	134,847	100%
Total Single Family Issuer Fees		\$ 667,595	\$ 1,355,078	\$ 1,237,085	\$ 1,615,708	\$ 1,732,491	40.05%

LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2011 Operating Budget

Worksheet

	<u>Fiscal '08 Actuals</u>	<u>Fiscal '09 Actuals</u>	<u>Budget FY 09/10</u>	<u>FY 09/10 Projected Actuals</u>	<u>FY 10/11 REQUESTED BUDGET</u>	<u>% INCREASE (DECREASE) OVER FY10</u>
HUD Disposition Properties						
Village De Jardin (Gaslight) Apartments						
Gross Revenue	-	-	-	-	-	100.00%
Admin Exp	80,323	-	62,000	-	-	100.00%
Utilities	-	-	12,000	-	-	100.00%
Operating & Maintenance	9,789	8,288	10,000	10,000	10,000	0.00%
Insurance	80,751	62,360	11,675	11,675	12,000	2.78%
Total Expenses	170,863	70,648	95,675	21,675	22,000	(77.01%)
Excess revenue over/(under) expenses	(170,863)	(70,648)	(95,675)	(21,675)	(22,000)	NA
Willowbrook Apartments						
Gross Revenue	40,569	1,826,095	2,882,074	2,410,831	2,653,500	(7.93%)
Admin Exp	219,392	478,630	637,279	546,111	649,625	1.94%
Management Fee	11,101	108,035	171,901	124,248	141,855	(17.48%)
Utilities	184,761	216,758	227,218	347,437	322,711	42.03%
Operating & Maintenance	201,145	543,102	343,683	526,319	511,583	48.85%
Insurance	195,882	157,603	224,179	207,130	220,000	(1.86%)
Total Expenses	812,281	1,504,128	1,604,261	1,751,245	1,845,774	15.05%
Excess revenue over/(under) expenses	(771,712)	321,967	1,277,813	659,586	807,726	(36.79%)
Total excess revenue over/(under) expenses	\$ (942,575)	\$ 251,319	\$ 1,182,138	\$ 637,911	\$ 785,726	(33.53%)

LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2011 Operating Budget

Worksheet

	Fiscal '08 Actuals	Fiscal '09 Actuals	FY 09/10 BUDGET	FY 09/10 PROJECTED ACTUALS	FY 10/11 REQUESTED BUDGET	% INCREASE (DECREASE) OVER FY10
Multi Family Low Income Housing Tax Credit						
Reservation Fee 5 % (a/k/a Cr. Award/Allocation)	\$ 1,268,953	\$ 2,231,079	\$ 900,000	\$ 773,710	\$ 720,000	(20.00%)
Application and Reprocessing Fee:	305,096	238,754	37,500	107,625	37,500	0.00%
Analysis Fee (100% to Foley & Judell):	175,250	77,750	25,000	74,625	37,500	50.00%
Subsidy Layering Fee	-	6,250	10,000	-	10,000	0.00%
Total LIHTC Fees	\$ 1,749,299	\$ 2,553,833	\$ 972,500	\$ 955,960	\$ 805,000	(17.22%)
Mark to Market						
FEES	\$ 224,033	\$ 23,224	\$ 52,990	\$ 50,000	\$ 60,000	13.23%
Total MF LIHTC Fees & Mark-to-Market	1,973,332	2,577,056	1,025,490	1,005,960	\$ 865,000	(15.65%)
Section 8, Contract Administration						
Base Fee on FMR 2 Bdr (14,571 units, 185 properties) - 2%	\$ 2,037,983	\$ 2,158,861	\$ 2,128,974	\$ 2,212,898	\$ 2,200,675	3.37%
Incentive Fees - 1%	1,018,991	1,079,431	1,064,487	1,106,449	562,689	(47.14%)
Base & Incentive Fees	\$ 3,056,974	\$ 3,238,292	\$ 3,193,461	\$ 3,319,347	\$ 2,763,364	(13.47%)

LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2011 Operating Budget

Worksheet

Multi-Family Issuer Fees	Fiscal '08 Actuals	Fiscal '09 Actuals	FY 09/10 BUDGET	FY 09/10 PROJECTED ACTUALS	FY 10/11 REQUESTED BUDGET	% INCREASE (DECREASE) OVER FY10
Azalea Lakes/HCCI Assisted Living			\$ 15,235	\$ 15,235	\$ 15,050	(1.21%)
Arbor Place			8,440	8,440	8,440	0.00%
Belmont			-	8,950	8,950	100%
Emerald Pointe			-	-	-	100%
Emerald Pointe 2007			4,680	4,630	4,500	(3.85%)
Galilee 2003			3,168	3,168	3,123	(1.42%)
Louisiana Chateau			-	57,500	57,150	100%
Malta Square 1997			-	-	-	100%
Melrose 2002			3,925	4,016	3,925	(0.00%)
New Orleanian 1988			3,560	-	-	(100.00%)
Palmetto			3,140	3,140	3,140	0.00%
Peppermill Apartments Ph II			4,505	9,000	4,440	(1.44%)
St. Dominic/Malta Park			3,809	7,525	7,525	97.57%
Tower Oaks			705	-	-	(100.00%)
Villa Maria 2003			-	-	-	100%
Woodward Wight 2003			8,955	8,955	8,955	0.00%
Walmsley			5,075	5,000	5,000	(1.48%)
202 Elderly Projects			75,000	114,836	104,000	38.67%
The Crossing Apartments			7,500	7,500	7,500	0.00%
Hooper Pointe			10,182	20,444	10,150	(0.31%)
Meadowbrook			5,105	5,145	5,010	(1.86%)
Ridgefield Apartments			8,208	8,325	8,037	(2.08%)
Canterbury			16,000	16,000	16,000	0.00%
Plantation			5,540	5,535	5,435	(1.90%)
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	8,770	0.00%
Reserves @ Jefferson Crossing			8,190	8,190	8,190	0.00%
Restoration 2002			4,665	9,330	4,665	0.00%
Restoration V & VI			1,015	2,040	1,002	(1.28%)
Total Multi-Family Issuer Fees	\$ 167,240	\$ 233,856	\$ 236,671	\$ 362,974	\$ 330,257	39.54%

LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2011 Operating Budget

Worksheet

	<u>Fiscal '08 Actuals</u>	<u>Fiscal '09 Actuals</u>	<u>FY 09/10 BUDGET</u>	<u>FY 09/10 PROJECTED ACTUALS</u>	<u>FY 10/11 REQUESTED BUDGET</u>	<u>% INCREASE (DECREASE) OVER FY10</u>
<u>Compliance Monitoring LIHTC</u>						
LIHTC Compliance	\$ 130,422	\$ 100,854	\$ 129,000	\$ 129,000	\$ 129,000	0.00%
Total LIHTC Compliance Fees	\$ 130,422	\$ 100,854	\$ 129,000	\$ 129,000	\$ 129,000	0.00%
<u>Energy Programs Admin Fees</u>						
DHHS/LIHEAP funds	\$ 348,637	\$ 507,795	\$ 220,000	\$ 222,488	\$ 581,699	164.41%
DOE funds	23,033	56,724	38,000	254,276	13,406	(64.72%)
2009 Travel/Technical Asst. Funds - WAP	-	-	12,000	-	-	NA
Total Energy Program Admin Fees	\$ 371,670	\$ 564,519	\$ 270,000	\$ 476,764	\$ 595,105	120.41%

LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2011 Operating Budget

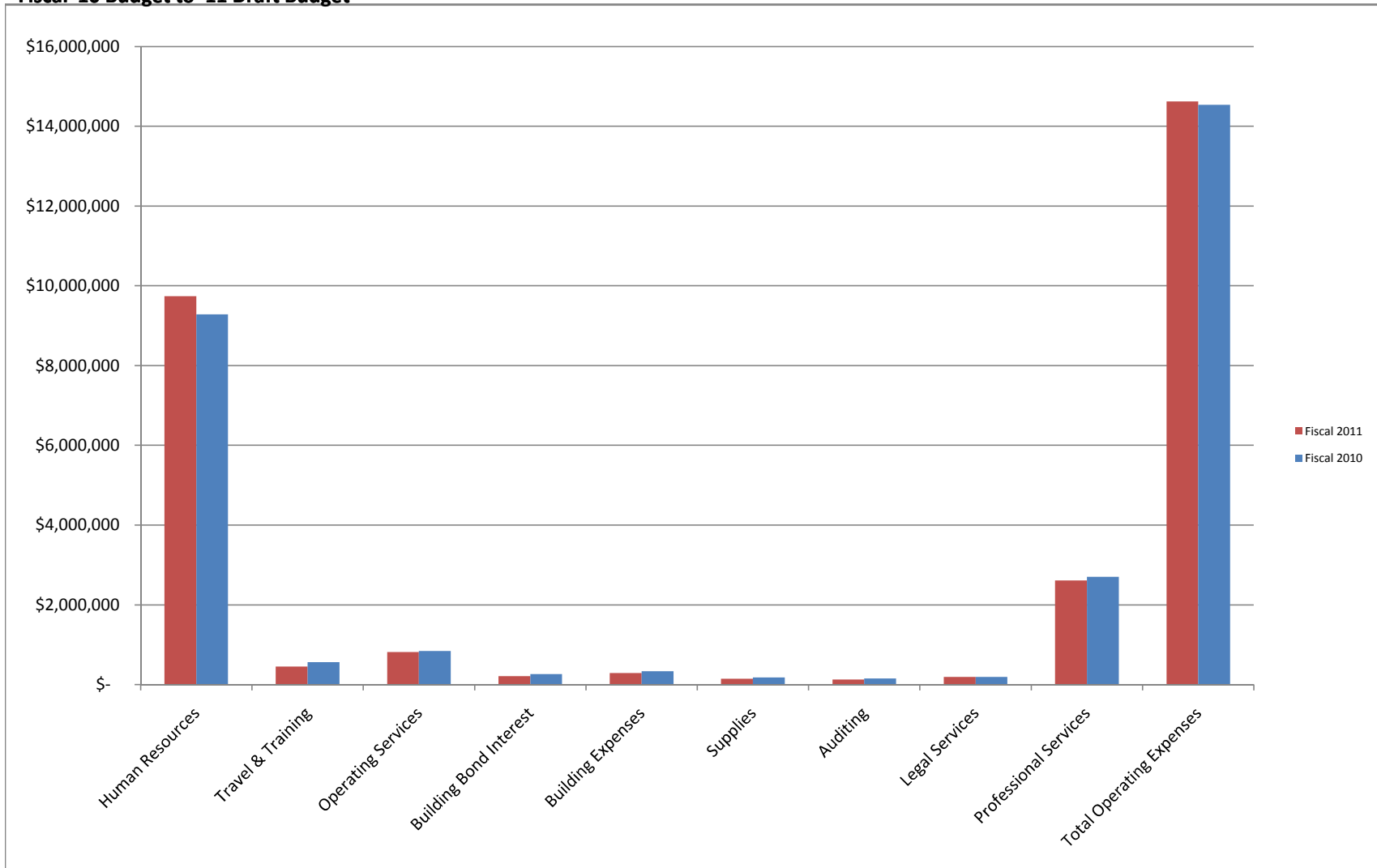
Worksheet

	Fiscal '08 Actuals	Fiscal '09 Actuals	FY 09/10 BUDGET	FY 09/10 PROJECTED ACTUALS	FY 10/11 REQUESTED BUDGET	% INCREASE (DECREASE) OVER FY10
<u>HOME Program Agency Administration Fees</u>					\$ -	
Based on allowable cost and the benefit to the program.	\$ 2,403,872	\$ 3,103,852	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	0.00%
Total For HOME Program	\$ 2,403,872	\$ 3,103,852	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	0.00%
<u>NSP</u>						
Admin based upon direct expenses to the program	\$ -	\$ 281,064	\$ 878,583	\$ 384,494	\$ 913,445	3.97%
Total For NSP	\$ -	\$ 281,064	\$ 878,583	\$ 384,494	\$ 913,445	3.97%
<u>Child Care Program</u>						
Admin	\$ 216,000	\$ 338,509	\$ 150,896	\$ 554,606	\$ -	(100.00%)
Total For Child Care Program	\$ 216,000	\$ 338,509	\$ 150,896	\$ 554,606	\$ -	(100.00%)
<u>Housing Trust Fund</u>						
Admin	\$ -	\$ -	\$ 375,000	\$ 375,000	\$ -	100.00%
Total For Housing Trust Fund	\$ -	\$ -	\$ 375,000	\$ 375,000	\$ -	100.00%
<u>WAP-ARRA (Note 1)</u>						
Admin	\$ -	\$ -	\$ 715,242	\$ 554,075	\$ 404,751	100.00%
Total For WAP-ARRA	\$ -	\$ -	\$ 715,242	\$ 554,075	\$ 404,751	100.00%
<u>CDBG - NRPP (Note 1)</u>						
Admin	\$ -	\$ -	\$ 991,159	\$ 910,000	\$ 1,008,842	100.00%
Total For CDBG-NRPP	\$ -	\$ -	\$ 991,159	\$ 910,000	\$ 1,008,842	100.00%
<u>Other Income</u>						
Lease rental revenue - Ethics	\$ 141,212	\$ 70,606	\$ -	\$ -	\$ -	NA
Miscellaneous	165,868	48,627	25,000	31,489	25,000	0.00%
Total Other Income	\$ 307,080	\$ 119,233	\$ 25,000	\$ 31,489	\$ 25,000	0.00%

Note 1: These revenue sources were effectively added to the Fy '10 budget upon adoption of resolutions by the LHFA Board subsequent to June '09.

LOUISIANA HOUSING FINANCE AGENCY
Draft Fiscal Year Ending June 30, 2011 Operating Budget

Budgeted Expenses Chart
Fiscal '10 Budget to '11 Draft Budget



LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2011 Operating Budget

Worksheet

	Fiscal '08 Actuals	Fiscal '09 Actuals	FY 09/10 BUDGET	FY 09/10 PROJECTED ACTUALS	FY 10/11 REQUESTED BUDGET	% INCREASE (DECREASE) OVER FY10
<u>Total Human Resources</u>						
Salaries	5,464,739	6,074,881	7,011,296	6,861,982	7,386,300	5.35%
State Retirement Contributions	1,049,172	1,036,507	1,376,315	1,099,316	1,433,008	4.12%
FICA plus Medicare Taxes	76,531	82,885	97,251	86,939	110,708	13.84%
Group Insurance Contribution	706,434	698,762	797,146	703,686	810,525	1.68%
Total Human Resources	\$ 7,296,876	\$ 7,893,034	\$ 9,282,008	\$ 8,751,923	\$ 9,740,541	4.94%
# of FTE's	119	125	133.5	133.5	134.5	0.90%
<u>By Section</u>						
EXECUTIVE	\$ 1,219,690	\$ 1,349,226	\$ 1,574,712	\$ 1,721,183	\$ 1,695,270	7.66%
INTERNAL AUDIT	240,561	277,348	316,931	312,737	324,670	2.44%
HR	502,629	470,014	515,515	521,231	619,607	20.19%
LEGAL	303,824	431,162	468,384	468,297	503,732	7.55%
CONST MONITORING/RESEARCH	-	185,535	246,584	271,552	317,735	28.85%
RELIEF COORDINATORS (ESF-6)	132,238	122,376	121,161	119,114	127,704	5.40%
COMPLIANCE	398,225	399,521	459,019	333,888	412,057	(10.23%)
ACCOUNTING	1,158,536	1,130,925	1,226,382	1,182,523	1,250,783	1.99%
INFORMATION SYSTEM	586,996	589,567	585,267	556,489	593,648	1.43%
HOME	400,928	485,802	529,672	509,849	610,214	15.21%
TAX CREDIT	464,162	485,384	538,264	512,503	685,639	27.38%
SINGLE FAMILY	504,229	522,943	480,511	467,612	508,205	5.76%
ENERGY PROGRAMS	272,420	279,237	316,928	251,443	227,023	(28.37%)
SECTION 8, CONTRACT ADMIN	683,455	719,200	764,507	756,942	831,814	8.80%
SPECIAL PROGRAMS	220,803	182,436	190,822	179,242	80,957	(57.57%)
AHPP/KATRINA COTTAGES	102,474	-	-	-	-	NA
BOARD MEMBERS/RETIREEES	105,709	99,518	98,417	106,494	103,209	4.87%
SUB - TOTAL	\$ 7,296,876	\$ 7,730,194	\$ 8,433,076	\$ 8,271,099	\$ 8,892,265	5.45%
NSP		146,403	506,883	405,862	479,220	(5.46%)
CDBG - NRPP			104,559	48,295	184,104	76.08%
WAP ARRA		16,437	\$ 237,490	26,666	184,952	(22.12%)
Agency Total	\$ 7,296,876	\$ 7,893,034	\$ 9,282,008	\$ 8,751,923	\$ 9,740,541	4.94%

LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2011 Operating Budget

Worksheet

<u>Total Travel</u>	<u>Fiscal '08</u>	<u>Fiscal '09</u>	<u>FY 09/10</u>	<u>FY 09/10</u>	<u>FY 10/11</u>	<u>% INCREASE</u>
<u>In State Travel</u>	<u>Actuals</u>	<u>Actuals</u>	<u>BUDGET</u>	<u>PROJECTED</u>	<u>REQUESTED</u>	<u>(DECREASE)</u>
				<u>ACTUALS</u>	<u>BUDGET</u>	<u>OVER FY10</u>
Conferences/Training			\$ 85,000	\$ 49,236	\$ 82,000	(3.53%)
Meetings			-	2,399	-	NA
Field/Monitoring			82,000	59,421	86,459	5.44%
BOARD MEMBERS			14,000	12,395	14,000	0.00%
Total In State Travel	\$ 107,003	\$ 91,117	\$ 181,000	\$ 123,450	\$ 182,459	0.81%
Out of State Travel						
Conferences/Training			\$ 271,500	145,083	\$ 197,040	(27.43%)
Meetings			-	9,334	-	NA
BOARD MEMBERS			100,000	53,350	66,000	(34.00%)
Total Out of State Travel	\$ 231,255	\$ 277,968	\$ 371,500	\$ 207,753	\$ 263,040	(30.55%)
Education Expenses						
EDUCATIONAL EXPENSES	\$ 9,153	\$ 13,315	\$ 10,000	\$ 13,110	\$ 10,000	0.00%
Total Travel & Training	\$ 347,411	\$ 382,400	\$ 562,500	\$ 344,314	\$ 455,499	(19.02%)
By Section						
EXECUTIVE	\$ 81,748	\$ 64,937	\$ 85,000	\$ 70,539	\$ 75,000	(11.76%)
INTERNAL AUDIT	13,928	9,466	15,000	5,855	10,000	(33.33%)
HUMAN RESOURCES	1,854	3,732	10,000	6,290	10,000	0.00%
LEGAL	27,903	15,935	29,000	9,479	20,000	(31.03%)
CONSTR MONITORING	-	17,320	29,000	18,013	20,000	(31.03%)
RELIEF COORDINATORS (ESF-6)	8,149	5,400	6,000	-	5,000	(16.67%)
COMPLIANCE	18,324	37,017	37,000	21,255	30,000	(18.92%)
ACCOUNTING	9,501	24,565	25,000	14,607	20,000	(20.00%)
INFORMATION SYSTEMS	21,388	15,817	25,000	37,105	20,000	(20.00%)
HOME	31,055	8,061	25,000	5,378	15,000	(40.00%)
TAX CREDIT	10,335	13,153	23,000	9,979	18,000	(21.74%)
SINGLE FAMILY	6,322	10,634	20,000	6,887	15,000	(25.00%)
ENERGY PROGRAMS	3,702	1,575	17,500	20,238	15,000	(14.29%)
SECTION 8 CONTRACT ADMIN	28,290	35,707	43,000	23,461	35,000	(18.60%)
SPECIAL PROGRAMS	2,460	494	12,000	-	10,000	(16.67%)
NSP	-	25,947	25,000	16,373	25,000	0.00%
WAP-ARRA	-	-	-	-	16,499	NA
AHPP/KATRINA COTTAGES	1,716	-	-	-	-	NA
CDBG - NRPP	-	-	12,000	-	6,000	(50.00%)
BOARD MEMBERS	71,583	79,327	114,000	65,745	80,000	(29.82%)
EDUCATION EXPENSES	9,153	13,315	10,000	13,110	10,000	0.00%
Total Travel	\$ 347,411	\$ 382,400	\$ 562,500	\$ 344,314	\$ 455,499	(19.02%)

LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2011 Operating Budget

Worksheet

	<u>Fiscal '08 Actuals</u>	<u>Fiscal '09 Actuals</u>	<u>FY 09/10 BUDGET</u>	<u>FY 09/10 PROJECTED ACTUALS</u>	<u>FY 10/11 REQUESTED BUDGET</u>	<u>% INCREASE (DECREASE) OVER FY10</u>
<u>Operating Services</u>						
Dues & Subscriptions	\$ 61,921	\$ 89,746	\$ 102,023	\$ 45,123	\$ 97,150	(4.78%)
Insurance (Ofc of Risk Mgmt)	56,813	60,166	63,800	87,365	60,000	(5.96%)
Maintenance - Auto	9,447	5,181	10,000	7,603	10,000	0.00%
Maintenance - Office Equipment	9,743	-	-	2,511	-	NA
Maintenance Services-IT	52,042	182,605	184,575	185,000	192,300	4.19%
Computers & Hardware	36,481	36,564	25,000	36,715	25,000	0.00%
Software	54,249	88,966	25,000	33,113	25,000	0.00%
Other Operating Expenses	341,405	26,471	73,750	43,805	71,350	(3.25%)
Postage	35,424	34,238	67,500	22,633	53,450	(20.81%)
Printing	13,254	28,255	71,334	14,635	65,030	(8.84%)
Rental Office Equipment	26,043	22,228	25,000	10,076	15,000	(40.00%)
Rental Space/Off-site Storage	13,777	19,002	25,000	21,522	25,000	0.00%
Telephone	131,117	155,279	130,000	127,000	135,000	3.85%
Trustee Fees/Bank service charges	42,310	45,053	44,000	33,434	44,000	0.00%
Total Operating Services	\$ 884,025	\$ 793,754	\$ 846,982	\$ 670,534	\$ 818,280	(3.39%)
Interest on Building Bonds	\$ 290,387	\$ 267,203	\$ 267,203	\$ 243,020	\$ 217,344	(18.66%)

LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2011 Operating Budget

Worksheet

	Fiscal '08 Actuals	Fiscal '09 Actuals	FY 09/10 BUDGET	FY 09/10 PROJECTED ACTUALS	FY 10/11 REQUESTED BUDGET	% INCREASE (DECREASE) OVER FY10
Building Expenses:						
<u>Building Services:</u>	\$ 126,425	\$ 127,745	\$ 186,400	\$ 135,103	\$ 172,350	(7.54%)
Electrical			10,000	3,198	10,000	0.00%
Plumbing			1,400	82	1,000	(28.57%)
Heating and A/C			50,000	20,864	40,000	(20.00%)
Water Treatment			950	780	900	(5.26%)
Building Exterior			1,200	15,823	1,200	0.00%
Building Interior			12,000	595	4,400	(63.33%)
Windows and Glass			500	-	2,000	300.00%
Lighting and Fixtures			2,500	(367)	2,500	0.00%
Painting and Papering			500	-	-	(100.00%)
Carpet and Tile			9,400	3,132	9,400	0.00%
Appliances			400	-	400	0.00%
Grounds			6,400	3,554	5,000	(21.88%)
Janitorial Services			72,500	60,694	65,000	(10.34%)
Janitorial Supplies			7,200	6,501	7,200	0.00%
Locksmith			200	212	200	0.00%
Exterminating			1,200	960	1,100	(8.33%)
Elevator			6,800	5,203	6,800	0.00%
Fire Safety			2,500	13,874	2,500	0.00%
Security			-	-	12,000	NA
Miscellaneous			750	-	750	0.00%
Utilities	153,378	111,739	150,000	85,036	120,000	(20.00%)
Total Building Expenses	\$ 279,803	\$ 239,484	\$ 336,400	\$ 220,139	\$ 292,350	(13.09%)
Operating and OfficeSupplies	\$ 137,701	\$ 186,459	\$ 183,800	\$ 99,620	\$ 152,650	(16.95%)

LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2011 Operating Budget

Worksheet

	FY 08 ACTUALS	FY 09 ACTUALS	FY 09/10 BUDGET	FY 09/10 PROJECTED ACTUALS	FY 10/11 REQUESTED BUDGET	% INCREASE (DECREASE) OVER FY10
<u>Total Auditing and Legal</u>						
AUDITING	\$ 142,090	\$ 148,090	\$ 155,490	\$ 140,990	\$ 132,750	(14.62%)
LEGAL	251,025	104,395	198,000	205,278	198,000	0.00%
Total Auditing and Legal	\$ 393,115	\$ 252,485	\$ 353,490	\$ 346,268	\$ 330,750	(6.43%)
 <u>AUDITING</u>						
LHFA - HUD Disposition Properties	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	0.00%
LHFA - Allocable	134,340	140,340	130,740	116,240	125,000	(4.39%)
IT Audit	-	-	17,000	17,000	-	(100.00%)
Total Auditing Services	\$ 142,090	\$ 148,090	\$ 155,490	\$ 140,990	\$ 132,750	(14.62%)
 <u>LEGAL FEES</u>						
Unallocable	\$ 16,099	\$ 17,719	\$ 30,000	\$ 25,749	\$ 30,000	0.00%
Allocable	5,689	11,400	20,000	6,037	20,000	0.00%
Human Resources	2,844	-	4,000	-	4,000	0.00%
Legal	2,897	-	-	-	-	NA
SF - Direct	10,976	12,434	15,000	689	10,000	(33.33%)
Tax Credit	88	64,969	15,000	158,425	55,000	266.67%
TCAP	10,976	-	-	788	-	NA
HOME - Direct	46,526	(15,915)	70,000	2,494	55,000	(21.43%)
M2M/RS - Direct	135,535	-	42,000	-	14,000	(66.67%)
Energy - Direct	-	-	2,000	-	-	(100.00%)
Childcare	1,411	395	-	-	-	NA
Special Programs	1,411	13,391	-	11,095	10,000	NA
Katrina Cottages	16,575	-	-	-	-	NA
Total Legal Services	\$ 251,025	\$ 104,395	\$ 198,000	\$ 205,278	\$ 198,000	0.00%

LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2011 Operating Budget

Worksheet

	FY 08 ACTUALS	FY 09 ACTUALS	FY 09/10 BUDGET	FY 09/10 PROJECTED ACTUALS	FY 10/11 REQUESTED BUDGET	% INCREASE (DECREASE) OVER FY10
Total Professional Services (Including Advertising)						
ADVERTISING	\$ 70,442	\$ 102,204	\$ 255,000	\$ 103,264	\$ 201,000	(21.18%)
OTHER PROF SERVICES	1,187,043	2,652,232	2,452,755	1,905,636	2,413,288	(1.61%)
Total Adver.& Other Prof. Svcs.	\$ 1,257,485	\$ 2,754,435	\$ 2,707,755	\$ 2,008,900	\$ 2,614,288	(3.45%)
DETAIL OF FEES SUMMARIZED ABOVE						
ADVERTISING						
Executive - Unallocable	\$ 19,127	\$ 63,636	\$ -	\$ 14,236	\$ -	NA
Executive - Allocable	14,978	17,636	200,000	43,869	45,000	(77.50%)
Human Resources	16,740	-	7,500	-	5,000	(33.33%)
Legal	(618)	-	-	-	-	NA
Single Family	10,884	4,592	25,000	22,914	65,000	160.00%
Single Family - CDBG	-	2,750	-	-	-	NA
MF Tax Credit	3,486	2,780	7,500	1,604	50,000	566.67%
HOME	2,712	3,988	7,500	10,562	12,500	66.67%
Special Programs	328	-	500	-	-	(100.00%)
Energy	1,309	953	4,500	828	5,000	11.11%
Foreclosure Mitigation	-	391	-	-	5,000	NA
Grants for Grads	-	3,163	-	53	10,000	NA
ARRA TC Exchange	-	878	-	5,928	-	NA
ARRA WAP	-	72	-	80	-	NA
NSP	-	-	-	2,826	2,500	NA
ARRA NSP	-	-	-	364	-	NA
Housing Trust Fund	892	47	1,000	-	1,000	0.00%
Katrina Cottages	604	-	-	-	-	NA
Childcare	-	1,320	1,500	-	-	(100.00%)
Total Advertising Fees	\$ 70,442	\$ 102,204	\$ 255,000	\$ 103,264	\$ 201,000	(21.18%)
OTHER PROFESSIONAL SERVICES						
Executive - Unallocable	\$ 4,816	\$ 10,610	\$ 50,000	\$ -	\$ -	(100.00%)
Executive - Allocable	171,952	89,986	100,000	45,257	75,000	(25.00%)
Construction Monitoring	-	-	50,000	3,777	50,000	0.00%
Compliance	-	-	6,000	-	9,600	60.00%
Human Resources	612	504	1,500	378	1,500	0.00%
Internal Audit	-	-	10,000	-	10,000	0.00%
Legal Services	8,899	-	-	-	-	NA
Information Technology	138,164	56,462	50,000	35,462	50,000	0.00%
Section Eight	1,599	6,000	17,500	1,500	17,500	0.00%
Single Family	181,724	230,352	250,000	102,170	150,000	(40.00%)
Grants For Grads	-	2,720	-	-	-	NA
MF Tax Credit	322,899	559,287	104,280	197,435	400,000	283.58%
TCAP	-	-	-	152,977	-	NA
HOME	67,584	1,064,180	375,000	251,950	375,000	0.00%
NSP	-	110,906	150,000	41,794	168,750	12.50%
Special Programs	117,323	22,431	-	4,913	85,000	NA
Energy	51,990	62,050	30,000	19,875	30,000	0.00%
Housing Trust Fund	3,587	433,618	-	-	-	NA
Childcare	-	-	-	5,268	-	NA
Katrina Cottages	114,519	-	-	-	-	NA
CDBG - NRPP	-	-	815,600	612,000	788,238	(3.35%)
ARRA-NSP	-	-	-	16,819	-	NA
ARRA-WAP	-	-	442,875	414,063	202,700	(54.23%)
Accounting	1,375	3,125	-	-	-	NA
Total Other Prof. Services	\$ 1,187,043	\$ 2,652,232	\$ 2,452,755	\$ 1,905,636	\$ 2,413,288	(1.61%)
TOTAL PROFESSIONAL SERVICES	\$ 1,257,485	\$ 2,754,435	\$ 2,707,755	\$ 2,008,900	\$ 2,614,288	(3.45%)

LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2011 Operating Budget

Worksheet

CAPITAL OUTLAYS

<u>Fixed Assets</u>	<u>FY 09/10 BUDGET</u>	<u>FY 10/11 REQUESTED BUDGET</u>	<u>% INCREASE (DECREASE) OVER FY10</u>
<u>Computer Equipment</u>			
Replacement of old laptop PC's	-	10,000	100.00%
Upgrade / replacement of older network servers	15,000	10,000	(33.33%)
Strategic/Enterprise Data Management & Consolidation	30,000	50,000	66.67%
Upgrade Printers and copiers	30,000	-	(100.00%)
Video Conferencing/Streaming of LHFA Board Meetings	50,000	50,000	0.00%
Telephone System Improvements	15,000	-	(100.00%)
Emergency Power and Cooling	-	215,000	100.00%
<u>Software</u>			
Support Agency Software needs and improvements	65,000	-	(100.00%)
HDS Upgrade and Integrations	65,000	-	(100.00%)
Hancock Software	-	-	NA
Upgrade network management software	30,000	-	(100.00%)
<u>Transportation</u>			
2 Vehicles	28,476	28,476	0.00%
TOTAL	<u>\$ 328,476</u>	<u>\$ 363,476</u>	<u>10.66%</u>

LOUISIANA HOUSING FINANCE AGENCY

The following resolution was offered by _____ and seconded by

_____ :

RESOLUTION

A resolution to authorize the refunding of the outstanding principal balance of \$5,225,000.00 of the Louisiana Housing Finance Agency's (the "Agency's") General Revenue Office Building Bonds (the "Building Bonds") Series 2001, and the costs of issuance associated therewith, currently estimated at \$105,000.00 as per the attached schedule, only if and when market interest rates provide the necessary net present value threshold savings percentage of five percent; to authorize application to the Louisiana State Bond Commission for approval of said refunding; and providing for other matters in connection therewith.

WHEREAS, the Agency, as authorized by the State of Louisiana, issued General Obligation bonds dated August 1, 2001, for a total principal amount of \$9,500,000.00, with scheduled maturities on each December 1st over the next 15 years;

WHEREAS, the Agency desires to manage assets and debts in a manner which provides the best economic benefit;

WHEREAS, the Agency's financial advisor presently estimates that by refunding all of the outstanding Building Bonds the Agency will gain an approximate net present-value savings amount that is less than five percent; and

WHEREAS, the bond trust indenture provides for an early redemption of the existing Building Bonds on or after June 1, 2010.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Louisiana Housing Finance Agency (the "Board"), acting as the governing authority of said Agency, that:

SECTION 1. The authority to seek early redemption of all of the outstanding Building Bonds on or after June 1, 2010, and to replace said bonds with refunding bonds if market conditions are such that estimated net present value savings are at or above the five percent recommended minimum threshold, is hereby granted.

SECTION 2. The Agency staff and trustee are authorized and directed to prepare any documents, agreements and take appropriate actions, as may be necessary, to fully redeem the outstanding Building Bonds and issue replacement refunding bonds if and when market conditions warrant on or after June 1, 2010.

SECTION 3. The Chairman, Vice Chairman, President, Vice President and/or Secretary of the Agency are hereby authorized, empowered and directed to execute any necessary forms and/or documents on behalf of the Agency, the terms of which are to be consistent with the provisions of this resolution.

SECTION 4. Application is hereby made to the State Bond Commission, Baton Rouge, Louisiana, for approval of and for consent and authority to proceed with the refunding of the Bonds as provided above, and Bond Counsel is directed to make application to the State Bond Commission in accordance with the foregoing on behalf of the Agency.

By virtue of Agency's application for, acceptance and utilization of the benefits of the Louisiana State Bond Commission's approval(s) resolved and set forth herein, it resolves that it understands and agrees that such approval(s) are expressly conditioned upon, and it further resolves that it understands, agrees and binds itself, its successors and assigns to, full and continuing compliance with the "State Bond Commission Policy on Approval of Proposed Use of Swaps, or other forms of Derivative Products Hedges, Etc.", adopted by the Commission on July 20, 2006, as to the borrowing(s) and other matter(s) subject to the approval(s), including subsequent application and approval under said Policy of the implementation or use of any swap(s) or other product(s) or enhancement(s) covered thereby.

This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS:

NAYS:

ABSTAIN:

ABSENT:

And the resolution was declared adopted on this, the 14th day of April, 2010.

Chairman

Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Commissioners of the Louisiana Housing Finance Agency, do hereby certify that the foregoing two (2) pages constitutes a true and correct copy of a resolution adopted by said Board of Commissioners on April 14, 2010, entitled: “A resolution to authorize the refunding of the outstanding principal balance of \$5,225,000.00 of the Louisiana Housing Finance Agency’s (the “Agency’s”) General Revenue Office Building Bonds (the “Building Bonds”) Series 2001, and the costs of issuance associated therewith, currently estimated at \$105,000.00 as per the attached schedule, only if and when market interest rates provide the necessary net present value threshold savings percentage of five percent; to authorize application to the Louisiana State Bond Commission for approval of said refunding; and providing for other matters in connection therewith.”

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 14th day of April, 2010.

Secretary

LOUISIANA HOUSING FINANCE AGENCY

The following resolution was offered by _____ and seconded by

_____ :

RESOLUTION

A resolution to authorize and direct the use of not to exceed \$5,225,000.00 to redeem by optional redemption high coupon interest rate Single Family Mortgage Revenue Bonds in one or more series; and providing for other matters in connection therewith.

WHEREAS, the Board of Commissioners (the “Board”) of the Louisiana Housing Finance Agency (the “Agency”) has previously authorized and directed staff to invest its funds in accordance with the Agency’s Investment Policy; and

WHEREAS, the Agency desires to manage assets and debts in a manner which provides the best economic benefit to the Agency; and

WHEREAS, the Agency’s financial advisor presently estimates that by optionally redeeming \$5,225,000.00 of the Agency’s high coupon interest rate Single Family Mortgage Revenue Bonds, the Agency will gain a projected net present-value savings amount of \$1,182,203.00; and

WHEREAS, one or more Series Supplemental Indentures provide for the optional redemption of Single Family Mortgage Revenue Bonds by the Agency from available moneys made available for such purpose on other than a Proportionate Basis subject to receipt of items specified in such Series Supplemental Indenture; and

WHEREAS, the Board desires to authorize staff and the financial advisor to proceed with the optional redemption of various high coupon Single Family Mortgage Revenue Bonds in accordance with the provisions of the Series Supplemental Indentures applicable to such Single Family Mortgage Revenue Bonds that are to be redeemed;

NOW, THEREFORE, BE IT RESOLVED by the Board, acting as the governing authority of the Agency, that:

SECTION 1. Not exceeding \$5,225,000.00 of Agency funds may be used to redeem certain outstanding high coupon interest rate Single Family Mortgage Revenue Bonds specified by the Agency’s financial advisor in the memorandum attached hereto as Exhibit A.

SECTION 2. The Agency staff and trustee are authorized and directed to prepare any documents, agreements and take appropriate actions, as may be necessary, to facilitate said redemption.

SECTION 3. The Chairman, Vice Chairman, President, Vice President and/or Secretary of the Agency are hereby authorized, empowered and directed to execute any necessary forms and/or documents on behalf of the Agency, the terms of which are to be consistent with the provisions of this resolution.

This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS:

NAYS:

ABSTAIN:

ABSENT:

And the resolution was declared adopted on this, the 14th day of April, 2010.

Chairman

Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Commissioners of the Louisiana Housing Finance Agency, do hereby certify that the foregoing two (2) pages constitutes a true and correct copy of a resolution adopted by said Board of Commissioners on April 14, 2010, entitled: “A resolution to reaffirm the authorization to use Louisiana Housing Finance Agency (“Agency”) funds to redeem high coupon interest rate bonds in various issues within the Agency’s Single Family Bond Indenture; and providing for other matters in connection therewith.”

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 14th day of April, 2010.

Secretary

MEMORANDUM

TO:	Milton Bailey, René Landry, Brenda Evans
FROM:	Tim Rittenhouse, Jeanie Yarbrough, Kathy Li
SUBJECT:	General Revenue Office Building Bonds, Series 2001
DATE:	April 5, 2010

Introduction: With Agency staff CSG has reviewed a number of alternatives concerning the subject bond issue in order to recommend actions the Agency may take. The Building Bonds become eligible for optional redemption beginning on June 1, 2010 and on any date thereafter at the option of the Agency, subject to a 30-day notice of redemption.

Building Bond Issue Facts:

Original Issue Date:	August 22, 2001
Original Issue Amount:	\$9,500,000
Current Amount Outstanding:	\$5,225,000
Maturity Date:	December 1, 2016
Bond Rate:	4.455% (weighted average of remaining coupons)
Bond Rating:	Moody's 'A2' (the General Obligation rating of LHFA)

Alternatives: We have considered a number of possible scenarios, and five are presented in the attached analysis. The first two are essentially reinvestment alternatives, which are available because the Agency is under no requirement to repay the outstanding bonds early. The other three options are redemption alternatives related to optionally redeeming the Building Bonds early. Brief descriptions of the scenarios are as follows:

Scenario #1 – Leave the Building Bonds outstanding; use \$5.225 million in General Fund assets to warehouse loans from April 15, 2010 to December 15, 2010 and then buy U.S. Agencies securities for the balance of the term of the Building Bonds. (Current 3-year rates are assumed for the Agency securities.);

Scenario #2 – Leave the Building Bonds outstanding; use \$5.225 million in General Fund assets to call other high coupon bonds in the Single Family MRB Indenture on June 1, 2010;

Scenario #3 – Use \$5.225 million in General Fund assets to optionally call the Building Bonds on June 1, 2010;

Scenario #4 – Refund the Building Bonds; use \$5.225 million in General Fund assets to warehouse loans from April 15, 2010 to December 15, 2010 and then buy U.S. Agencies for the balance of the term of the Building Bonds. (Again, current 3-year rates are assumed on the Agencies.);

Scenario #5 – Refund the Building Bonds; use \$5.225 million in General Fund assets to optionally call other higher coupon bonds in the Agency’s Single Family MRB Indenture on June 1, 2010.

Note that for scenarios #4 and #5 we have updated the earlier refunding analysis using rates provided by Morgan Keegan on Friday, March 26. The rates reflect an increase in available refunding bond rates. The updated analysis is also attached.

Recommendation: Based on the analysis developed over the course of a number of discussions with Agency staff, we recommend Scenario #2. This alternative provides a substantial overall increase in expected returns to the Agency over paying off the Building Bonds (Scenario #3) and produces the greatest economic benefit to the Agency over the other available reinvestment options. In addition, this option strengthens of the Agency’s Single Family Indenture. The resulting higher residual values in the Indenture will increase the Agency’s financing flexibility to meet the market challenges after the NIBP program ends, and/or it will help support the Agency’s operations in the future.

In view of the increase in available bond refunding rates in recent weeks, we are not recommending at this time that the Agency proceed with a refunding of the Building Bonds. While the revised net present value savings from a refunding at today’s rates would be expected to be a positive 3.9% of the amount of the Building Bonds outstanding, a refunding would not currently meet a target savings threshold of 5%. The Agency may continue to monitor the bond market for an acceptable refunding opportunity.

Based on a discussion with Moody’s, there are no rating concerns related to any of these scenarios, but strengthening the Single Family Indenture would be viewed as a plus.

**Louisiana Housing Finance Agency
G O Building Bonds, Series 2001**

Redemption / Reinvestment Strategies: Economic Analysis of Savings and Benefits

Descriptions of Scenarios Analyzed:

Scenario 1: Leave Building Bonds outstanding; use \$5.225mm in General Fund money to warehouse 4/15/10 – 12/15/10; then buy US agencies for balance of term (assume the current 3-year rate on Agencies)

Scenario 2: Leave Building Bonds outstanding; use \$5.225mm in General Fund money to call high coupon bonds in the SF MRB Indenture on 6/1/10

Scenario 3: Use \$5.225mm in General Fund money to call Building Bonds on 6/1/10

Scenario 4: Refund Building Bonds; use \$5.225mm in General Fund money to warehouse 4/15/10 - 12/15/10; then buy US agencies for balance of term (assume the current 3-year rate on Agencies)

Scenario 5: Refund Building Bonds; use \$5.225mm in General Fund money to call other high coupon bonds in the SF MRB Indenture bonds on 6/1/10

	- Reinvestment Strategies -		Redeem GO Bonds	- Refund GO Bonds -	
	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
PV of Interest Savings from Redeeming / Refunding GO Bonds			\$ 767,146	\$ 309,630	\$ 309,630
PV of Interest Savings from Redeeming High Coupon Bonds in SFMRB Indenture from \$5.225mm		\$ 1,182,203			\$ 1,182,203
PV of Investment Earnings of \$5.225MM	\$ 559,623			\$ 559,623	
Estimated Transaction Costs				\$ 105,000	\$ 105,000
Net PV Benefit to LHFA	\$ 559,623	\$ 1,182,203	\$ 767,146	\$ 764,253	\$ 1,386,833

Assumptions:

1. 5% discount rate
2. 6/1/10 closing of refunding bonds and redemption of old bonds.
3. 4.5% net earning rate on warehousing
4. 2.75% US Agencies 3-year investment rate

Louisiana Housing Finance Agency
 GO Bonds Refunding Analysis

Date	Existing Bonds			Refunding Bonds			Interest Savings
	Maturing Principal	Rate	Interest Paid	Maturing Principal	Rate	Interest Paid	
6/1/2010			116,385.00			116,385.00	-
12/1/2010	645,000	4.10%	116,385.00	645,000	1.10%	60,506.25	55,878.75
6/1/2011			103,162.50			56,958.75	46,203.75
12/1/2011	675,000	4.25%	103,162.50	675,000	1.40%	56,958.75	46,203.75
6/1/2012			88,818.75			52,233.75	36,585.00
12/1/2012	705,000	4.35%	88,818.75	705,000	1.85%	52,233.75	36,585.00
6/1/2013			73,485.00			45,712.50	27,772.50
12/1/2013	740,000	4.45%	73,485.00	740,000	2.225%	45,712.50	27,772.50
6/1/2014			57,020.00			37,480.00	19,540.00
12/1/2014	780,000	4.55%	57,020.00	780,000	2.60%	37,480.00	19,540.00
6/1/2015			39,275.00			27,340.00	11,935.00
12/1/2015	820,000	4.65%	39,275.00	820,000	3.05%	27,340.00	11,935.00
6/1/2016			20,210.00			14,835.00	5,375.00
12/1/2016	860,000	4.70%	20,210.00	860,000	3.45%	14,835.00	5,375.00
Total	5,225,000		996,712.50	5,225,000		646,011.25	350,701.25

PV of interest savings	309,630.00
Estimated transaction costs	105,000.00
Net economic benefit of refunding	204,630.00

Assumptions

- 6/1/2010 closing of refunding bonds and redemption of old bonds
- 5% discount rate