
Louisiana Housing Finance Agency



BUDGET & FINANCE

Rene Landry, CFO

March 17, 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: March 10, 2010

There will be a Budget & Finance Committee meeting prior to the Board meeting on Wednesday, March 17, 2010, at 10:00 a.m., Committee Room II. The Committee will discuss the Revenue Section of FYE June 30, 2011 budget and recommendation to full Board for adopting a Resolution to redeem the Agency's Office Building Bonds.

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

RL/lb

March 17, 2010

Budget & Finance Committee Meeting

Notice is hereby given of a regular meeting of the Budget & Finance Committee to be held on **Wednesday, March 17, 2010 at 10:00 A.M.**, Louisiana Housing Finance Agency, Committee Room II, located at 2415 Quail Drive, Baton Rouge, LA by order of the Chairman.

Final Agenda

1. Call to order, roll call and introduction of guests
2. Approval of the Minutes of the May 11, 2009 Budget & Finance Committee
3. Discussion of Revenues Section of FYE June 30, 2011 Budget
4. Discussion of Recommendation to Full Board for Adoption of a Resolution to Redeem the Outstanding Agency Office Building Bonds
5. Other Business
6. Adjournment

Milton J. Bailey, President

Budget & Finance Committee Meeting
Wednesday, May 13, 2009
2415 Quail Drive
Committee Room I
Baton Rouge, LA 70808
10:30 A.M.

Commissioners Present

Mayson Foster, Chairman
Guy T. Williams
Michael L. Airhart
John N. Kennedy

Staff Present

Annie Robinson
Danny Veals
Kip Anderson
Nicole Mack
Jatis Harrington
Lourie Brown
Rene Landry
Terri Ricks
Brenda Evans

The regular meeting of the Louisiana Housing Finance Agency Budget & Finance Committee was called to order at approximately 10:45 a.m. on Wednesday, May 13, 2009, by Chairman Mayson Foster.

Chairman Foster called for a motion to approve the February 11, 2009 Budget & Finance Committee meeting minutes.

Upon motion by Commissioner Guy T. Williams and seconded by Commissioner Mayson Foster, the minutes of the February 11, 2009 Budget & Finance Committee were unanimously approved.

Chairman Foster opened the floor to discussion of the FY 2010 budget resolution. Rene Landry advised the Committee that discussions regarding the FY 2010 budget had begun as early as December 2008 with senior staff and with the Committee in March 2009. Also reviewed was ARRA funding and the Expense and Capital Expenditures sections.

Commissioner Kennedy raised several questions regarding line items for Other Professional Services and Legal expenditures, for which he requested the current year actuals on each. These were the only two areas for which follow-up by staff were requested. Following lengthy discussion on numerous items, Commissioner Foster asked Commissioner Kennedy if he would prefer that the resolution to recommend adoption of the fiscal year ending 6/30/10 LHFA Operating Budget be

deferred until the June 10, 2009 meeting of the Committee, to provide ample time for staff to prepare the requested schedules, and for the Commissioners to review them. Commissioner Kennedy replied in the affirmative, and Commissioner Foster explained that the budget could be adopted at the June meeting.

Commissioner Kennedy also questioned expenditures regarding Janitorial services, travel, student employment, overtime and the need for Construction Monitoring and Research staffing.

Commissioner Williams and Chairman Foster questioned the Agency's fee schedules. Terri Ricks pointed out that most fees are legislative, but that a review would be done to determine if they are currently in line with industry-wide fees.

Application and Reprocessing fees (Feasibility & Viability - F&V) and Subsidy Layering fees, both of which are currently contracted to Foley & Judell, were discussed by Commissioner Kennedy. The question was posed as to whether or not there was an RFP process when the contract was awarded, and staff did not recall there being one.

In closing, Rene voiced the importance of having a quorum at the June 2009 Budget & Finance Committee meeting in order to facilitate a budget by July 1, 2009. If not, the FY 2010 budget would come before the Full Board for approval.

There being no other business to come before the Committee, Chairman Foster motioned for adjournment. Upon motion by Commissioner Williams and seconded by Commissioner Kennedy, the meeting was adjourned.

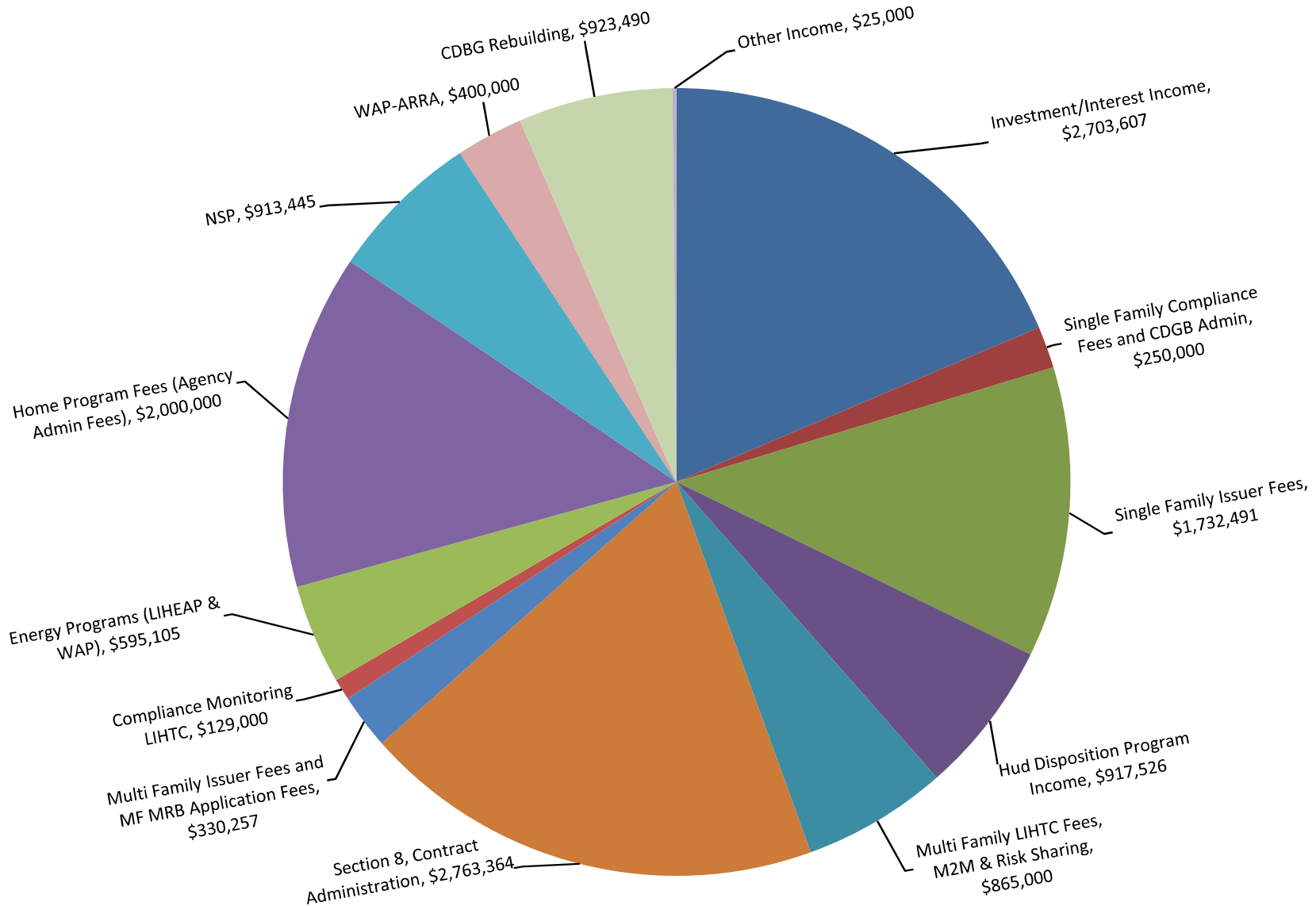
LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2011 Operating Budget

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-9	2,658,751	\$ 2,703,607	1.69%
Single Family Compliance Fees and CDGB Admin	B&F-10	103,725	250,000	141.02%
Single Family Issuer Fees	B&F-11	1,237,085	1,732,491	40.05%
Hud Disposition Program Income	B&F-12	1,182,138	917,526	(22.38%)
Multi Family LIHTC Fees, M2M & Risk Sharing	B&F-13	1,025,490	865,000	(15.65%)
Section 8, Contract Administration	B&F-13	3,193,461	2,763,364	(13.47%)
Multi Family Issuer Fees and MF MRB Application Fees	B&F-14	236,671	330,257	39.54%
Compliance Monitoring LIHTC	B&F-15	129,000	129,000	0.00%
Energy Programs (LIHEAP & WAP)	B&F-15	270,000	595,105	120.41%
Home Program Fees (Agency Admin Fees)	B&F-16	2,000,000	2,000,000	0.00%
NSP	B&F-16	878,583	913,445	3.97%
Child Care Program - DSS	B&F-16	150,896	-	(100.00%)
Housing Trust Fund	B&F-16	375,000	-	(100.00%)
WAP-ARRA	B&F-16	554,075	400,000	(27.81%)
CDBG Rebuilding	B&F-16	910,000	923,490	1.48%
Other Income	B&F-16	25,000	25,000	0.00%
Total Operating Revenue		\$ 14,929,875	\$ 14,548,285	(2.56%)

LOUISIANA HOUSING FINANCE AGENCY
Draft 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 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>Investment Income</u>						
U.S. Government Securities/Short Term MM	2,942,786	2,610,248	2,553,367	2,560,000	2,600,000	1.83%
Total Investment Income	\$ 2,942,786	\$ 2,610,248	\$ 2,553,367	\$ 2,560,000	\$ 2,600,000	1.83%
<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	\$ 2,703,607	1.69%

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	\$ 207,475	\$ 174,650	\$ 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 expenses	(170,863)	(70,648)	(95,675)	(21,675)	(22,000)	NA
Willowbrook Apartments						
Gross Revenue	40,569	1,826,095	2,882,074	2,445,473	2,653,500	(7.93%)
Admin Exp	219,392	478,630	637,279	422,107	649,625	1.94%
Management Fee	11,101	108,035	171,901	118,206	141,855	(17.48%)
Utilities	184,761	216,758	227,218	265,707	322,711	42.03%
Operating & Maintenance	201,145	543,102	343,683	239,410	379,783	10.50%
Insurance	195,882	157,603	224,179	207,130	220,000	(1.86%)
Total Expenses	812,281	1,504,128	1,604,261	1,252,560	1,713,974	6.84%
Excess revenue over expenses	(771,712)	321,967	1,277,813	1,192,913	939,526	(26.47%)
Total excess revenue over expenses	\$ (942,575)	\$ 251,319	\$ 1,182,138	\$ 1,171,238	\$ 917,526	(28.98%)

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	105,125	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	\$ 953,460	\$ 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	1,003,460	\$ 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

	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>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	\$ 198,242	\$ 581,699	164.41%
DOE funds	23,033	56,724	38,000	221,082	13,406	(64.72%)
2009 Travel/Technical Asst. Funds - WAP	-	-	12,000	-	-	NA
Total Energy Program Admin Fees	\$ 371,670	\$ 564,519	\$ 270,000	\$ 419,324	\$ 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	\$ 2,422,072	\$ 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	\$ -	\$ -	\$ 554,075	\$ 554,075	\$ 400,000	100.00%
Total For WAP-ARRA	\$ -	\$ -	\$ 554,075	\$ 554,075	\$ 400,000	100.00%
<u>CDBG - NRPP (Note 1)</u>						
Admin	\$ -	\$ -	\$ 910,000	\$ 910,000	\$ 923,490	100.00%
Total For CDBG-NRPP	\$ -	\$ -	\$ 910,000	\$ 910,000	\$ 923,490	100.00%
<u>Other Income</u>						
Lease rental revenue - Ethics	\$ 141,212	\$ 70,606	\$ -	\$ -	\$ -	NA
Miscellaneous	165,868	48,627	25,000	31,277	25,000	0.00%
Total Other Income	\$ 307,080	\$ 119,233	\$ 25,000	\$ 31,277	\$ 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.

LOUISIANA HOUSING FINANCE AGENCY

The following resolution was offered by _____ and seconded by _____ :

RESOLUTION

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.

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, by redeeming all outstanding Building Bonds, the Agency will gain a present-value amount of approximately \$773,000.00 in interest expense savings; and

WHEREAS, the bond trust indenture provides for an early redemption of the Building Bonds as of 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 June 1, 2010 is hereby approved.

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 Building Bonds.

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 17th day of March, 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 March 17, 2010 providing approval of 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 General Revenue Office Building Bonds Series 2001, on June 1, 2010.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 17th day of March, 2010.

Secretary