
Louisiana Housing Finance Agency



BUDGET & FINANCE

Rene Landry, CFO

March 16, 2011

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MEMORANDUM

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

From: René Landry, CFO

Date: March 9, 2011

As directed, there will be a Budget & Finance Committee meeting prior to the March 16, 2011, Board Meeting. Please refer to the attached meeting notice, table of contents, agenda, and schedules for details.

RL/lb

March 9, 2011

BUDGET & FINANCE COMMITTEE MEETING

Notice is hereby given of a regular meeting of the Budget & Finance Committee to be held on **Wednesday, March 16, 2011 at 10:00 A.M.**, Louisiana Housing Finance Agency, **Committee Room 1**, located at 2415 Quail Drive, Baton Rouge, Louisiana, by order of the Chairman.

AGENDA

1. Call to order, roll call, and introduction of guests.
2. Approval of the Minutes of the February 9, 2011 Budget & Finance Committee.
3. Discuss Draft **Worksheets for Revenue Section of the Preliminary Fiscal 2012 Operating Budget.**
4. Resolution regarding **hiring of new employees, merit increases**, and matters related thereto (Option 1).
5. Resolution regarding **hiring of new employees, merit increases**, and matters related thereto (Option 2).
6. Resolution regarding the **expenditure of funds** by the Louisiana Housing Finance Agency and matters related thereto.
7. Continued discussion on **February 9, 2011 Committee materials.**
8. Other Business.
9. Adjournment.

Milton J. Bailey, President

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

Pursuant to the provisions of LSA-R.S. 42:17, 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.

**Louisiana Housing Finance Agency
Budget and Finance Committee Meeting
Wednesday, February 9, 2011
2415 Quail Drive
Committee Room 2
Baton Rouge, LA 70808
11:30 A.M.**

Committee Members Present

Chairman Mayson H. Foster
Commissioner Michael L. Airhart
Alice Washington for Commissioner John N. Kennedy
Commissioner Neal P. Miller
Commissioner Donald B. Vallee

Commissioners Absent

Commissioner Guy T. Williams
Commissioner Tyrone A. Wilson

Staff Present

Alesia Wilkins-Braxton
Kip Anderson
Loretta Wallace
Jatis Harrington
Jessica Guinn
Charlette Minor
Terry Holden
Christine Bratkowski
Annie Clark
Lourie Brown

Guests Present

Tim Rittenhouse, CSG Advisors
Clem LaFleur, LaFleur LLC

Call to Order, roll call, and introduction of guests. The regular meeting of the Louisiana Housing Finance Agency Budget & Finance Committee was called to order at approximately 11:45 a.m. on Wednesday, February 9, 2011 by Chairman Mayson Foster. A quorum was established. In the interest of time, introduction of guests was suspended.

1. **Approval of the Minutes.** Mr. Foster called for a motion to approve the October 13, 2010 and November 10, 2010 Budget & Finance Committee Meeting minutes. Upon motion by Commissioner Donald Vallee and a second by Commissioner Michael Airhart, approval of the minutes of the October 13, 2010 and November 10, 2010 Budget & Finance Committee meetings was approved.

2. **Discussion.** Mr. Foster addressed each of the three items scheduled for discussion on the Budget & Finance agenda. There was brief discussion on each, and it was noted that there would likely be similar continued discussion on the topics in the future. There were no action items.

3. **Adjournment.** There being no other business to come before the Committee, Mr. Foster declared the meeting adjourned.

LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2012 Operating Budget

Worksheet

| <u>Operating Revenue</u> | <u>Worksheet</u> | <u>FY 10/11 BUDGET</u> | <u>FY 11/12 BUDGET</u> | <u>% INCREASE (DECREASE) OVER FY11</u> |
|--|------------------|----------------------------|----------------------------|--|
| Investment/Interest Income | B&F-11 | \$ 3,263,230 | \$ 2,822,815 | (13.50%) |
| Single Family Compliance Fees and CDGB Admin | B&F-12 | 250,000 | 327,208 | 30.88% |
| Single Family Issuer Fees | B&F-13 | 1,732,491 | 1,476,161 | (14.80%) |
| Hud Disposition Program Income | B&F-14 | 774,125 | 1,720,762 | 122.28% |
| Multi Family LIHTC Fees, M2M & Risk Sharing | B&F-16 | 865,000 | 532,000 | (38.50%) |
| Section 8, Contract Administration | B&F-16 | 2,763,364 | 3,500,000 | 26.66% |
| Multi Family Issuer Fees and MF MRB Application Fees | B&F-17 | 330,257 | 281,428 | (14.79%) |
| Compliance Monitoring LIHTC | B&F-18 | 129,000 | 129,000 | 0.00% |
| Energy Programs (LIHEAP & WAP) | B&F-18 | 595,105 | 474,297 | (20.30%) |
| Home Program Fees (Agency Admin Fees) | B&F-19 | 2,000,000 | 2,000,000 | 0.00% |
| NSP & Mid-City | B&F-15 | 913,445 | 660,226 | (27.72%) |
| WAP-ARRA | B&F-19 | 404,751 | 300,000 | (25.88%) |
| CDBG Rebuilding | B&F-19 | 1,008,842 | 750,000 | (25.66%) |
| Other Income | B&F-19 | 25,000 | - | (100.00%) |
| Total Operating Revenue | | \$ 15,054,610 | \$ 14,973,898 | (0.54%) |

LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2012 Operating Budget

Worksheet

| Operating Revenue | Worksheet | FY 11/12 BUDGET | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|--|------------------|----------------------------|------------------|------------------|------------------|------------------|
| Investment/Interest Income | B&F-11 | \$ 2,822,815 | 705,704 | \$ 705,704 | \$ 705,704 | \$ 705,704 |
| Single Family Compliance Fees and CDGB Admin | B&F-12 | 327,208 | 81,802 | 81,802 | 81,802 | 81,802 |
| CDBG Funds (SF & MF Programs) | B&F-12 | - | - | - | - | - |
| Single Family Issuer Fees | B&F-13 | 1,476,161 | - | 738,081 | - | 738,081 |
| Hud Disposition Program Income | B&F-14 | 1,720,762 | 430,191 | 430,191 | 430,191 | 430,191 |
| Multi Family LIHTC Fees, M2M & Risk Sharing | B&F-16 | 532,000 | - | - | 532,000 | - |
| Section 8, Contract Administration | B&F-16 | 3,500,000 | 875,000 | 875,000 | 875,000 | 875,000 |
| Multi Family Issuer Fees and MF MRB Application Fees | B&F-17 | 281,428 | 70,357 | 70,357 | 70,357 | 70,357 |
| Compliance Monitoring LIHTC | B&F-18 | 129,000 | 32,250 | 32,250 | 32,250 | 32,250 |
| Energy Programs (LIHEAP & WAP) | B&F-18 | 474,297 | 118,574 | 118,574 | 118,574 | 118,574 |
| Home Program Fees (Agency Admin Fees) | B&F-19 | 2,000,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| NSP | B&F-15 | 660,226 | 165,057 | 165,057 | 165,057 | 165,057 |
| WAP-ARRA | B&F-19 | 300,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| CDBG Rebuilding | B&F-19 | 750,000 | 187,500 | 187,500 | 187,500 | 187,500 |
| Total Operating Revenue | | \$ 14,973,898 | 3,241,434 | 3,979,515 | 3,773,434 | 3,979,515 |

NOTES:

- 1) Maturing investments are reinvested within the portfolio.
- 2) Single Family Issuer Fees are received June 1 and December 1.
- 3) Multi-family LIHTC fees are presumed to be received in the third quarter.
- 4) All other revenues are projected to be received proportionately throughout the year.

LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2012 Operating Budget

Worksheet

| <u>Operating Revenues</u> | Total | HOME | MF Tax Credit | Single Family | S8 Contract Admin | Special Programs | Regular Energy Programs | ARRA WAP | LRA |
|---------------------------|------------|-----------|---------------|---------------|----------------------|---------------------|-------------------------------|----------|-----|
| | 14,973,898 | 2,000,000 | 532,000 | 1,536,161 | 3,500,000 | 281,428 | 474,297 | 300,000 | - |

Operating Expenses

Allocation of Indirect Costs

Net Operating Income

LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2012 Operating Budget

Worksheet

| Single Family CDBG | HUD Dispos CDBG-NRPP (net income) | NSP | Administratio n | Accounti ng | Human Resources | Information Technology | Internal Audit | ESF-6 | Compliance | Constructi on | Legal | Public Relations |
|-----------------------|--------------------------------------|-----------|--------------------|----------------|--------------------|---------------------------|-------------------|-------|------------|------------------|-------|---------------------|
| 267,208 | 750,000 | 1,720,762 | 660,226 | 2,822,815 | - | - | - | - | 129,000 | - | - | - |

LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2012 Operating Budget

Worksheet

| | PRINCIPAL | ESTIMATED INTEREST RATE | Fiscal '09 Actuals | Fiscal '10 Actuals | FY 10/11 BUDGET | FY 10/11 PROJECTED ACTUALS | FY 11/12 REQUESTED BUDGET | % INCREASE (DECREASE) OVER FY11 |
|--|----------------------|-------------------------------|-----------------------|-----------------------|---------------------|----------------------------------|---------------------------------|---------------------------------------|
| Investment Income | | | | | | | | |
| General Fund Account | 33,160,583 | 4.00% | | | 1,684,623 | 1,697,083 | 1,326,423 | (21.26%) |
| Temporary Single Family Warehouse - FHLB | 20,000,000 | 4.50% | | | 975,000 | 774,201 | 900,000 | 100% |
| HUD Disposition Account | 8,652,036 | 4.00% | | | 300,000 | 307,851 | 346,081 | 15.36% |
| SF Transfer Account | 3,677,166 | 4.00% | | | 200,000 | 329,364 | 147,087 | (26.46%) |
| Totals | \$ 65,489,785 | | \$ 2,610,248 | \$ 2,746,681 | \$ 3,159,623 | \$ 3,108,499 | \$ 2,719,591 | (13.93%) |
| Interest on Notes Receivable | | | | | | | | |
| U.S. HUD Risk Sharing Loans | \$ 1,276,020 | 8.50% | 111,430 | 87,726 | 103,607 | 103,994 | 103,224 | (0.37%) |
| Total Investment/Interest Income | | | \$ 2,721,678 | \$ 2,834,407 | \$ 3,263,230 | \$ 3,212,494 | \$ 2,822,815 | (13.50%) |

NOTES:

- 1) The average investment yield for the portfolio at Hancock Bank is presently projected to be 4% for fiscal 2012
- 2) The temporary single family warehouse at Federal Home Loan Bank is presently projected to be in effect for an average of one half of fiscal year 2012 with an average pass-thru of 5%, net of interest expense of .25% on advances. For the remainder of the year those funds are projected at the 4% level resulting in the average of 4.5%.

LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2012 Operating Budget

Worksheet

| | Fiscal '09 Actuals | Fiscal '10 Actuals | FY 10/11 BUDGET | FY 10/11 PROJECTED ACTUALS | FY 11/12 REQUESTED BUDGET | % INCREASE (DECREASE) OVER FY11 |
|--|-----------------------|-----------------------|--------------------|----------------------------------|---------------------------------|---------------------------------------|
| Single Family Compliance Fees | | | | | | |
| Total Single Family Compliance Fees | \$ 62,575 | \$ 39,800 | \$ 50,000 | \$ 56,443 | \$ 60,000 | 20.00% |
| Total Single Family Bonds Issued | | | | | | |
| SF-CDBG Administrative Fees | | | | | | |
| SF-CDBG Funds - Admin | \$ - | \$ - | \$ 200,000 | \$ 200,000 | \$ 267,208 | 33.60% |
| Total Single Family & SF-CDBG | \$ 62,575 | \$ 39,800 | \$ 250,000 | \$ 256,443 | \$ 327,208 | 30.88% |

NOTE:

- 1) Single Family Compliance Fees are based upon an estimated 800 loans to be processed for the fiscal year at \$75 per loan.
- 2) SF-CDBG administrative fee is based upon actual expenses incurred related to applicable Single Family loans.

LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2012 Operating Budget

Worksheet

| <u>Single Family Issuer Fees</u> | <u>Trustee</u> | <u>Fiscal '09 Actuals</u> | <u>Fiscal '10 Actuals</u> | <u>FY 10/11 BUDGET</u> | <u>FY 10/11 PROJECTED ACTUALS</u> | <u>FY 11/12 REQUESTED BUDGET</u> | <u>% INCREASE (DECREASE) OVER FY11</u> |
|--|----------------|-------------------------------|-------------------------------|----------------------------|---|--|--|
| 97 B | JP Morgan | | | 11,073 | 8,891 | 7,095 | (35.92%) |
| 97 C | JP Morgan | | | 14,303 | 13,262 | 10,784 | (24.60%) |
| 98 A | Hancock | | | 5,953 | 10,855 | 9,280 | 55.89% |
| 98 B | Hancock | | | 12,071 | 13,143 | 10,849 | (10.12%) |
| 99 A | Hancock | | | 9,306 | 10,548 | 9,893 | 6.30% |
| 99 B | Hancock | | | 9,050 | 9,100 | 7,733 | (14.55%) |
| 99 C | Hancock | | | 905 | 791 | 659 | (27.15%) |
| 99 D | Hancock | | | 7,852 | 8,145 | 6,971 | (11.23%) |
| 00A | Hancock | | | 4,457 | 5,982 | 5,711 | 28.14% |
| 00 B | Hancock | | | 1,405 | - | - | (100.00%) |
| 00 D | Hancock | | | 4,126 | 4,956 | 2,778 | (32.68%) |
| 01A | Hancock | | | 15,371 | 13,610 | 11,598 | (24.55%) |
| 01 B | Hancock | | | 7,642 | 7,308 | 5,859 | (23.33%) |
| 01 C | Hancock | | | 13,321 | 11,391 | 7,468 | (43.94%) |
| 01 D | Hancock | | | 8,063 | 10,340 | 8,857 | 9.84% |
| 02A | Hancock | | | 31,468 | 32,192 | 28,243 | (10.25%) |
| 02B | Hancock | | | 3,210 | 4,484 | 3,972 | 23.72% |
| 03A | Hancock | | | 11,435 | 12,817 | 11,132 | (2.65%) |
| 03B | Hancock | | | 7,064 | 8,649 | 8,061 | 14.10% |
| 04A | Hancock | | | 13,371 | 13,822 | 11,396 | (14.77%) |
| 04B | Hancock | | | 13,480 | 11,286 | 6,501 | (51.77%) |
| 04C | Hancock | | | 9,395 | 11,973 | 10,353 | 10.19% |
| 05A | Hancock | | | 15,835 | 18,468 | 15,254 | (3.67%) |
| 06A | Hancock | | | 100,912 | 105,876 | 96,734 | (4.14%) |
| 06B | Hancock | | | 52,126 | 57,187 | 43,153 | (17.21%) |
| 06C | Hancock | | | 93,839 | 72,773 | 49,764 | (46.97%) |
| 06D | Hancock | | | 169,873 | 153,418 | 113,377 | (33.26%) |
| 07A | Hancock | | | 139,534 | 127,695 | 94,827 | (32.04%) |
| 07B | Hancock | | | 179,757 | 181,257 | 187,400 | 4.25% |
| 07C | Hancock | | | 261,153 | 214,372 | 173,497 | (33.57%) |
| 08A | Hancock | | | 241,376 | 138,259 | 95,072 | (60.61%) |
| 08B | Hancock | | | 128,918 | 53,973 | 86,415 | (32.97%) |
| 09A | Hancock | | | 134,847 | 51,500 | 87,148 | (35.37%) |
| 10A | Hancock | | | | 173,833 | 248,333 | |
| Total Single Family Issuer Fees | | \$ 1,355,078 | \$ 1,451,062 | \$ 1,732,491 | \$ 1,572,155 | \$ 1,476,161 | (14.80%) |

NOTE:

1) Single Family Issuer Fees are projected based upon estimated Mortgage Backed Security balances for the fiscal year.

LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2012 Operating Budget

Worksheet

| | Fiscal '09 Actuals | Fiscal '10 Actuals | FY 10/11 BUDGET | FY 10/11 Projected Actuals | FY 11/12 REQUESTED BUDGET | % INCREASE (DECREASE) OVER FY11 |
|---|-----------------------|-----------------------|--------------------|----------------------------------|---------------------------------|---------------------------------------|
| HUD Disposition | | | | | | |
| Village De Jardin (Gaslight) Apartments | | | | | | |
| Gross Revenue | - | - | - | - | 926,197 | 100.00% |
| Admin Exp | - | - | - | - | 99,000 | 100.00% |
| Management Fee | - | - | - | - | 73,674 | |
| Utilities | - | 3,000 | - | - | 64,500 | 100.00% |
| Operating & Maintenance | 8,288 | - | 10,000 | 10,000 | 177,675 | 1676.75% |
| Insurance | 62,360 | 10,788 | 12,000 | - | 11,250 | (6.25%) |
| Oper. Reserve & Reserve 4 Replacement | - | - | - | - | 42,000 | NA |
| Total Expenses | 70,648 | 13,788 | 22,000 | 10,000 | 468,099 | 2027.72% |
| Excess revenue over/(under) expenses | (70,648) | (13,788) | (22,000) | (10,000) | 458,098 | NA |
| Willowbrook Apartments | | | | | | |
| Gross Revenue | 1,826,095 | 2,479,684 | 2,653,500 | 2,905,940 | 3,054,390 | 15.11% |
| Admin Exp | 478,630 | 584,710 | 649,475 | 628,973 | 560,928 | (13.63%) |
| Management Fee | 108,035 | 133,347 | 141,855 | 164,193 | 141,855 | 0.00% |
| Utilities | 216,758 | 339,003 | 360,494 | 322,212 | 359,053 | (0.40%) |
| Operating & Maintenance | 543,102 | 556,965 | 485,551 | 534,431 | 509,889 | 5.01% |
| Insurance | 157,603 | 207,130 | 220,000 | 181,524 | 220,000 | 0.00% |
| Total Expenses | 1,504,128 | 1,821,155 | 1,857,375 | 1,831,333 | 1,791,725 | (3.53%) |
| Excess revenue over/(under) expenses | 321,967 | 658,529 | 796,125 | 1,074,607 | 1,262,665 | 58.60% |
| Total excess revenue over/(under) expenses | \$ 251,319 | \$ 644,741 | \$ 774,125 | \$ 1,064,607 | \$ 1,720,762 | 122.28% |

NOTES:

- 1) The Village De Jardin amounts are currently projected based upon pro-forma data using a 12% occupancy rate phased in over the fiscal year with the placed in service date presently established to be August 2011.
- 2) Willowbrook Apartments amounts are per estimates from the property manager.

LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June, 2012 Operating Budget

| | Fiscal '09 Actuals | Fiscal '10 Actuals | FY 10/11 BUDGET | FY 10/11 Projected Actuals | FY 11/12 REQUESTED BUDGET | % INCREASE (DECREASE) OVER FY11 |
|---|-----------------------|-----------------------|--------------------|----------------------------------|---------------------------------|---------------------------------------|
| NSP | | | | | | |
| Admin based upon direct expenses to the program | \$ 281,064 | \$ 491,375 | \$ 913,445 | \$ 500,000 | \$ 660,226 | (27.72%) |
| ARRA NSP Funding | | \$ - | | | | |
| Total For NSP | \$ 281,064 | \$ 491,375 | \$ 913,445 | \$ 500,000 | \$ 660,226 | (27.72%) |
| Mid-City (Capital City South) | | | | | | |
| Gross Revenue | - | - | - | - | 195,992 | 100.00% |
| Admin Exp | - | - | - | - | 17,500 | 100.00% |
| Management Fee | - | - | - | - | 31,361 | |
| Utilities | - | - | - | - | 8,500 | 100.00% |
| Operating & Maintenance | - | - | - | - | 67,400 | NA |
| Insurance | - | - | - | - | 2,500 | NA |
| Operating Reserve and Reserve 4 Replacement | - | - | - | - | 36,380 | NA |
| Remittance of Program Income | | | | | 32,351 | |
| Total Expenses | - | - | - | - | 195,992 | NA |
| Excess revenue over/(under) expenses | - | - | - | - | - | NA |
| Total NSP | \$ 281,064 | \$ 491,375 | \$ 913,445 | \$ 500,000 | \$ 660,226 | (27.72%) |

NOTES:

- 1) The NSP administrative fees are based upon historicals and projected actuals, and are limited to expenses.
- 2) The Capital City South net revenue will likely be considered program income and either be returned to OCD or retained in the program at the agency.

LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2012 Operating Budget

Worksheet

| | Fiscal '09 Actuals | Fiscal '10 Actuals | FY 10/11 BUDGET | FY 10/11 PROJECTED ACTUALS | FY 11/12 REQUESTED BUDGET | % INCREASE (DECREASE) OVER FY11 |
|--|-----------------------|-----------------------|---------------------|----------------------------------|---------------------------------|---------------------------------------|
| <u>Multi Family Low Income Housing Tax Credit</u> | | | | | | |
| Reservation Fee 5 % (a/k/a Cr. Award/Allocation) | \$ 2,231,079 | \$ 995,510 | \$ 720,000 | \$ 1,248,251 | \$ 480,000 | (33.33%) |
| Application and Reprocessing Fee: | 238,754 | 214,125 | 37,500 | \$ 148,250 | 21,000 | (44.00%) |
| Analysis Fee (100% to Foley & Judell): | 77,750 | 79,625 | 37,500 | \$ 183,500 | 21,000 | (44.00%) |
| Subsidy Layering Fee | 6,250 | - | 10,000 | \$ 6,500 | 10,000 | 0.00% |
| Total LIHTC Fees | \$ 2,553,833 | \$ 1,289,260 | \$ 805,000 | \$ 1,586,501 | \$ 532,000 | (33.91%) |
| <u>Mark to Market</u> | | | | | | |
| FEES | \$ 23,224 | \$ - | \$ 60,000 | \$ - | \$ - | (100.00%) |
| Total MF LIHTC Fees & Mark-to-Market | 2,577,056 | 1,289,259.65 | 865,000 | \$ 1,586,501 | \$ 532,000 | (38.50%) |
| <u>Section 8, Contract Administration</u> | | | | | | |
| Base Fee on FMR 2 Bdr (14,571 units, 185 properties) | \$ 2,158,861 | \$ 2,305,551 | \$ 2,200,675 | \$ 2,575,187 | \$ 2,750,000 | 24.96% |
| Incentive Fees | 1,079,431 | 1,152,775 | 562,689 | 1,287,593 | 750,000 | 33.29% |
| Base & Incentive Fees | \$ 3,238,292 | \$ 3,458,326 | \$ 2,763,364 | \$ 3,862,780 | \$ 3,500,000 | 26.66% |

NOTES:

- 1) The Tax Credit 5% Reservation Fee is based upon the annual per-capita allocation of \$9.6 million.
- 2) HUD is re-bidding the Section 8 Contract. Projected revenues include a base and incentive fee calculation using HUD's revised ACC guidance.

LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2012 Operating Budget

Worksheet

| <u>Multi-Family Issuer Fees</u> | <u>Fiscal '09 Actuals</u> | <u>Fiscal '10 Actuals</u> | <u>FY 10/11 BUDGET</u> | <u>FY 10/11 PROJECTED ACTUALS</u> | <u>FY 11/12 REQUESTED BUDGET</u> | <u>% INCREASE (DECREASE) OVER FY11</u> |
|---------------------------------------|-------------------------------|-------------------------------|----------------------------|---|--|--|
| Azalea Lakes/HCCI Assisted Living | | | \$ 15,050 | \$ 15,050 | \$ 14,855 | (1.30%) |
| Arbor Place | | | 8,440 | 8,295 | 8,100 | (4.03%) |
| Belmont | | | 8,950 | 8,950 | 8,800 | (1.68%) |
| Emerald Pointe | | | - | - | - | 0% |
| Emerald Pointe 2007 | | | 4,500 | 4,630 | 4,500 | 0% |
| Galilee 2003 | | | 3,123 | 3,115 | 3,070 | (1.70%) |
| Louisiana Chateau | | | 57,150.00 | 57,150 | 56,685 | (0.81%) |
| Malta Square 1997 | | | - | - | - | 0% |
| Melrose 2002 | | | 3,925 | 3,925 | 3,829 | (2.45%) |
| New Orleanian 1988 | | | - | - | - | 0% |
| The Muses | | | - | 5,500 | 2,167 | 100% |
| Palmetto | | | 3,140 | 3,090 | 2,990 | (4.78%) |
| Peppermill Apartments Ph II | | | 4,440 | 4,440 | 4,370 | (1.58%) |
| St. Dominic/Malta Park | | | 7,525 | 3,763 | - | (100.00%) |
| Tower Oaks | | | - | - | - | 0% |
| Villa Maria 2003 | | | - | - | - | 0% |
| Woodward Wight 2003 | | | 8,955 | 4,478 | 8,955 | 0% |
| Walmsley | | | 5,000 | 5,135 | 5,000 | 0% |
| 202 Elderly Projects | | | 104,000 | 72,050 | 65,000 | (37.50%) |
| The Crossing Apartments | | | 7,500 | 7,455 | 7,400 | (1.33%) |
| Hooper Pointe | | | 10,150 | 10,176 | 10,104 | (0.45%) |
| Meadowbrook | | | 5,010 | 5,010 | 4,925 | (1.70%) |
| Ridgefield Apartments | | | 8,037 | 8,038 | 7,868 | (2.11%) |
| Canterbury | | | 16,000 | 16,000 | 16,000 | 0.00% |
| Plantation | | | 5,435 | 5,435 | 5,325 | (2.02%) |
| Jefferson Lakes Apts | | | 14,900 | 14,900 | 14,000 | (6.04%) |
| Lapalco Apts | | | 6,400 | 6,400 | 6,000 | (6.25%) |
| Spanish Arms | | | 8,770 | 11,505 | 8,332 | (4.99%) |
| Reserves @ Jefferson Crossing | | | 8,190 | 8,190 | 8,000 | (2.32%) |
| Restoration 2002 | | | 4,665 | 4,665 | 4,165 | (10.72%) |
| Restoration V & VI | | | 1,002 | 1,003 | 989 | (1.32%) |
| Total Multi-Family Issuer Fees | \$ 233,856 | \$ 343,427 | \$ 330,257 | \$ 298,346 | \$ 281,428 | (14.79%) |

NOTE:

1) These Multi-family Developments remit annual issuer fees in accordance with their respective trust agreements. Projections are based upon historicals.

LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2012 Operating Budget

Worksheet

| | <u>Fiscal '09 Actuals</u> | <u>Fiscal '10 Actuals</u> | <u>FY 10/11 BUDGET</u> | <u>FY 10/11 PROJECTED ACTUALS</u> | <u>FY 11/12 REQUESTED BUDGET</u> | <u>% INCREASE (DECREASE) OVER FY11</u> |
|---|-------------------------------|-------------------------------|----------------------------|---|--|--|
| <u>Compliance Monitoring LIHTC</u> | | | | | | |
| LIHTC Compliance | \$ 100,854 | \$ 99,385 | \$ 129,000 | \$ 100,000 | \$ 129,000 | 0.00% |
| Total LIHTC Compliance Fees | \$ 100,854 | \$ 99,385 | \$ 129,000 | \$ 100,000 | \$ 129,000 | 0.00% |
| <u>Energy Programs Admin Fees</u> | | | | | | |
| DHHS/LIHEAP funds | \$ 507,795 | \$ 513,081 | \$ 581,699 | \$ 581,699 | \$ 461,088 | (20.73%) |
| DOE funds | 56,724 | 287,889 | 13,406 | 141,384 | 13,209 | (1.47%) |
| 2009 Travel/Technical Asst. Funds - WAP | - | - | - | - | - | NA |
| Total Energy Program Admin Fees | \$ 564,519 | \$ 800,970 | \$ 595,105 | \$ 723,083 | \$ 474,297 | (20.30%) |

NOTES:

-
- 1) The Compliance Fees are based upon current fee structures for properties monitored.
 - 2) The Energy administrative fees are based upon a projected annual allocation of 46,108,800 for LIHEAP and 1,320,900 for WAP, and are limited to expenses.

LOUISIANA HOUSING FINANCE AGENCY
Fiscal Year Ending June 30, 2012 Operating Budget

Worksheet

| | Fiscal '09 Actuals | Fiscal '10 Actuals | FY 10/11 BUDGET | FY 10/11 PROJECTED ACTUALS | FY 11/12 REQUESTED BUDGET | % INCREASE (DECREASE) OVER FY11 |
|---|-----------------------|-----------------------|---------------------|----------------------------------|---------------------------------|---------------------------------------|
| <u>HOME Program Agency Administration Fees</u> | | | | | | |
| Based on allowable cost and the benefit to the program. | \$ 3,103,852 | \$ 2,203,930 | \$ 2,000,000 | \$ 2,000,000 | \$ 2,000,000 | 0.00% |
| Total For HOME Program | \$ 3,103,852 | \$ 2,203,930 | \$ 2,000,000 | \$ 2,000,000 | \$ 2,000,000 | 0.00% |
| <u>Child Care Program</u> | | | | | | |
| Admin | \$ 338,509 | \$ 554,606 | \$ - | \$ - | \$ - | NA |
| Total For Child Care Program | \$ 338,509 | \$ 554,606 | \$ - | \$ - | \$ - | 100% |
| <u>WAP-ARRA (Note 1)</u> | | | | | | |
| Admin | \$ - | \$ 263,677 | \$ 404,751 | \$ 300,000 | \$ 300,000 | 100.00% |
| Total For WAP-ARRA | \$ - | \$ 263,677 | \$ 404,751 | \$ 300,000 | \$ 300,000 | 100.00% |
| <u>CDBG - NRPP (Note 1)</u> | | | | | | |
| Admin | \$ - | \$ 175,554 | \$ 1,008,842 | \$ 750,000 | \$ 750,000 | 100.00% |
| Total For CDBG-NRPP | \$ - | \$ 175,554 | \$ 1,008,842 | \$ 750,000 | \$ 750,000 | 100.00% |
| <u>Other Income</u> | | | | | | |
| Lease rental revenue - Ethics | \$ 70,606 | \$ - | \$ - | \$ - | \$ - | NA |
| Miscellaneous | 48,627 | 15,041 | 25,000 | 25,000 | - | (100.00%) |
| Total Other Income | \$ 119,233 | \$ 15,041 | \$ 25,000 | \$ 25,000 | \$ - | (100.00%) |

NOTES:

- 1) The HOME fees are based upon historical averages and projected volume associated with an annual award of \$17 million and \$3 million of program income receipts and are limited to expenses.
- 2) The WAP-ARRA and CDBG-NRPP fees are based upon historicals and projected activity for the programs, and are limited to expenses.

Operating Pro-Forma

"####" indicates that the columns should be widened.

This tab contains calculations based on data entered on previous tabs and does not contain data entry cells.

PROJECT TIMELINE

| Project Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|--------------|---|---|---|---|---|---|---|---|---|
|--------------|---|---|---|---|---|---|---|---|---|

Gross Potential Rent (GPR) Projections

| | | | | | | | | | |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| HOME Rents | \$1,403,328 | \$1,445,428 | \$1,488,791 | \$1,533,454 | \$1,579,458 | \$1,626,842 | \$1,675,647 | \$1,725,916 | \$1,777,694 |
| Market Rents | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| "Other" Affordable Rents | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Potential Rent | \$1,403,328 | \$1,445,428 | \$1,488,791 | \$1,533,454 | \$1,579,458 | \$1,626,842 | \$1,675,647 | \$1,725,916 | \$1,777,694 |

Effective Gross Income (EGI) Projections

| | | | | | | | | | |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Vacancy Loss | (\$168,399) | (\$101,180) | (\$104,215) | (\$107,342) | (\$110,562) | (\$113,879) | (\$117,295) | (\$120,814) | (\$124,439) |
| Other Revenue | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Effective Gross Income | \$1,234,929 | \$1,344,248 | \$1,384,576 | \$1,426,112 | \$1,468,896 | \$1,512,963 | \$1,558,352 | \$1,605,102 | \$1,653,255 |

Expense and Net Operating Income (NOI) Projections

| | | | | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Management Expenses | \$230,232 | \$239,441 | \$249,019 | \$258,980 | \$269,339 | \$280,113 | \$291,318 | \$302,971 | \$315,090 |
| Operations and Maintenance Expenses | \$236,900 | \$246,376 | \$256,231 | \$266,480 | \$277,139 | \$288,225 | \$299,754 | \$311,744 | \$324,214 |
| Utilities Paid by Property | \$86,000 | \$89,440 | \$93,018 | \$96,739 | \$100,609 | \$104,633 | \$108,818 | \$113,171 | \$117,698 |
| Taxes/Insurance/Reserves/Other Expenses | \$71,000 | \$73,840 | \$76,794 | \$79,866 | \$83,061 | \$86,383 | \$89,838 | \$93,432 | \$97,169 |
| Additional Reserve for Replacement | \$720 | \$720 | \$720 | \$720 | \$720 | \$0 | \$0 | \$0 | \$0 |
| Total Expenses | (\$624,852) | (\$649,817) | (\$675,782) | (\$702,785) | (\$730,868) | (\$759,354) | (\$789,728) | (\$821,318) | (\$854,171) |
| Net Operating Income | \$610,077 | \$694,431 | \$708,794 | \$723,327 | \$738,028 | \$753,609 | \$768,624 | \$783,784 | \$799,084 |

Debt Service

| | | | | | | | | | |
|--------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| First Mortgage Debt Service | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Second Mortgage Debt Service | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Deferred Payment 1 Loan Payoff | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Deferred Payment 2 Loan Payoff | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Custom Loan 1 Debt Service | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Custom Loan 2 Debt Service | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Cash Flow (After Debt Service)

| | | | | | | | | | |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Cash Flow | \$610,077 | \$694,431 | \$708,794 | \$723,327 | \$738,028 | \$753,609 | \$768,624 | \$783,784 | \$799,084 |
| Proceeds from Property Sale | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Net Cash Return | \$610,077 | \$694,431 | \$708,794 | \$723,327 | \$738,028 | \$753,609 | \$768,624 | \$783,784 | \$799,084 |

Developer Return on Equity

| | | | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Cash on Cash | no equity | no equity | no equity | no equity | no equity | no equity | no equity | no equity | no equity |
| Project Value based on Capitalization Rate | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |

NOTE: Value equals \$0 if income is negative.

| | IRR |
|--------------------------------------|---------------|
| IRR (Year 1 through sale of project) | no investment |

Debt at Year End

| | | | | | | | | | |
|-----------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| First Mortgage Remaining | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Second Mortgage Remaining | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Deferred Payment Loan 1 Remaining | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Deferred Payment Loan 2 Remaining | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Upon completing review of this tab, proceed to the Gap Analysis tab.

Operating Pro-Forma

PROJECT TIMELINE

| Project Year | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 |
|--------------|----|----|----|----|----|----|----|----|----|
|--------------|----|----|----|----|----|----|----|----|----|

Gross Potential Rent (GPR) Projections

| | | | | | | | | | |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------|------------|------------|
| HOME Rents | \$1,831,025 | \$1,885,955 | \$1,942,534 | \$2,000,810 | \$2,060,834 | \$2,122,660 | \$0 | \$0 | \$0 |
| Market Rents | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| "Other" Affordable Rents | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Potential Rent | \$1,831,025 | \$1,885,955 | \$1,942,534 | \$2,000,810 | \$2,060,834 | \$2,122,660 | \$0 | \$0 | \$0 |

Effective Gross Income (EGI) Projection:

| | | | | | | | | | |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------|------------|------------|
| Vacancy Loss | (\$128,172) | (\$132,017) | (\$135,977) | (\$140,057) | (\$144,258) | (\$148,586) | \$0 | \$0 | \$0 |
| Other Revenue | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Effective Gross Income | \$1,702,853 | \$1,753,938 | \$1,806,557 | \$1,860,753 | \$1,916,576 | \$1,974,074 | \$0 | \$0 | \$0 |

Expense and Net Operating Income (NOI)

| | | | | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|----------------------|----------------------|------------|------------|------------|
| Management Expenses | \$327,694 | \$340,802 | \$354,434 | \$368,611 | \$383,355 | \$398,689 | \$0 | \$0 | \$0 |
| Operations and Maintenance Expenses | \$337,183 | \$350,670 | \$364,697 | \$379,285 | \$394,456 | \$410,234 | \$0 | \$0 | \$0 |
| Utilities Paid by Property | \$122,406 | \$127,302 | \$132,394 | \$137,690 | \$143,198 | \$148,926 | \$0 | \$0 | \$0 |
| Taxes/Insurance/Reserves/Other Expenses | \$101,056 | \$105,098 | \$109,302 | \$113,674 | \$118,221 | \$122,950 | \$0 | \$0 | \$0 |
| Additional Reserve for Replacement | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Expenses | (\$888,339) | (\$923,872) | (\$960,827) | (\$999,260) | (\$1,039,230) | (\$1,080,799) | \$0 | \$0 | \$0 |
| Net Operating Income | \$814,514 | \$830,066 | \$845,730 | \$861,493 | \$877,346 | \$893,275 | \$0 | \$0 | \$0 |

Debt Service

| | | | | | | | | | |
|--------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| First Mortgage Debt Service | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Second Mortgage Debt Service | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Deferred Payment 1 Loan Payoff | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Deferred Payment 2 Loan Payoff | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Custom Loan 1 Debt Service | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Custom Loan 2 Debt Service | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Cash Flow (After Debt Service)

| | | | | | | | | | |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|----------------|------------|------------|------------|
| Cash Flow | \$814,514 | \$830,066 | \$845,730 | \$861,493 | \$877,346 | \$893,275 | \$0 | \$0 | \$0 |
| Proceeds from Property Sale | \$0 | \$0 | \$0 | \$0 | \$0 | #DIV/0! | \$0 | \$0 | \$0 |
| Net Cash Return | \$814,514 | \$830,066 | \$845,730 | \$861,493 | \$877,346 | #DIV/0! | \$0 | \$0 | \$0 |

Developer Return on Equity

| | | | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-------|-------|-------|
| Cash on Cash | no equity | no equity | no equity | no equity | no equity | no equity | 0.00% | 0.00% | 0.00% |
| Project Value based on Capitalization Rate | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | \$0 | \$0 | \$0 |

NOTE: Value equals \$0 if income is negative.

Debt at Year End

| | | | | | | | | | |
|-----------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| First Mortgage Remaining | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Second Mortgage Remaining | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Deferred Payment Loan 1 Remaining | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Deferred Payment Loan 2 Remaining | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Upon completing review of this tab, proceed to the Gap Analysis tab.

Operating Pro-Forma

PROJECT TIMELINE

| Project Year | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 |
|--------------|----|----|----|----|----|----|----|----|----|----|
|--------------|----|----|----|----|----|----|----|----|----|----|

Gross Potential Rent (GPR) Projections

| | | | | | | | | | | |
|-----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| HOME Rents | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Market Rents | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| "Other" Affordable Rents | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Potential Rent | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Effective Gross Income (EGI) Projection:

| | | | | | | | | | | |
|-------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Vacancy Loss | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other Revenue | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Effective Gross Income | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Expense and Net Operating Income (NOI)

| | | | | | | | | | | |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Management Expenses | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Operations and Maintenance Expenses | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Utilities Paid by Property | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Taxes/Insurance/Reserves/Other Expenses | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Additional Reserve for Replacement | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Expenses | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Net Operating Income | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Debt Service

| | | | | | | | | | | |
|--------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| First Mortgage Debt Service | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Second Mortgage Debt Service | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Deferred Payment 1 Loan Payoff | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Deferred Payment 2 Loan Payoff | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Custom Loan 1 Debt Service | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Custom Loan 2 Debt Service | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Cash Flow (After Debt Service)

| | | | | | | | | | | |
|-----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Cash Flow | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Proceeds from Property Sale | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Net Cash Return | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Developer Return on Equity

| | | | | | | | | | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Cash on Cash | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Project Value based on Capitalization Rate | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

NOTE: Value equals \$0 if income is negative.

Debt at Year End

| | | | | | | | | | | |
|-----------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| First Mortgage Remaining | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Second Mortgage Remaining | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Deferred Payment Loan 1 Remaining | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Deferred Payment Loan 2 Remaining | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Upon completing review of this tab, proceed to the Gap Analysis tab.

Rents and Income

Village De Jardin - Louisiana Housing Finance Agency

Unit Characteristics

| | Number of Units | Gross Rent, per unit, per month | Monthly Utility Allowance | Net Rent After Utilities, per unit, per month | Monthly Rent After Utilities | Annual Rent After Utilities |
|----------------------|-----------------|---------------------------------|---------------------------|---|------------------------------|-----------------------------|
| 1 BR Low HOME Units | 142 | \$ 574 | \$ 90 | \$ 484 | \$ 68,728 | \$ 824,736 |
| 2 BR High HOME Units | | | \$ 100 | \$ (100) | \$ - | \$ - |
| 2 BR Low HOME Units | 82 | \$ 688 | \$ 100 | \$ 588 | \$ 48,216 | \$ 578,592 |
| Total | 224 | NA | | NA | \$ 116,944 | \$ 1,403,328 |

Rent Projections

| | HOME Units | "Other" Affordable Units |
|--|------------|--------------------------|
| Rent Increase per Year | 3% | 0% |
| Vacancy Year 1 (Lease-Up) | 12% | 12% |
| Stabilized Vacancy Rate (after Year 1) | 7% | 7% |

Other Revenue

| | |
|----------------------------------|-----|
| Other Monthly Revenue* | \$0 |
| Annual Increase in Other Revenue | 0% |

Operating Expenses

Enter data in green cells only

| Expense | Annual Cost | Monthly Cost | Additional Information |
|---|-------------------|------------------|------------------------------|
| Management Expenses | | | |
| Management Fee | \$ 98,232 | \$ 8,186 | 7% of monthly GPR |
| Management Administrative Payroll Costs | \$ 65,000 | \$ 5,417 | \$ 290 per unit per year |
| Legal Fees | \$ 5,000 | \$ 417 | \$ 22 per unit per year |
| Accounting / Audit Fees | \$ 7,000 | \$ 583 | \$ 31 per unit per year |
| Advertising / Marketing | \$ 25,000 | \$ 2,083 | \$ 112 per unit per year |
| Telephone | \$ 20,000 | \$ 1,667 | \$ 89 per unit per year |
| Office Supplies | \$ 10,000 | \$ 833 | \$ 45 per unit per year |
| Other Administrative Expenses | \$ - | \$ - | per unit per year |
| Other Management Expenses | \$ - | \$ - | per unit per year |
| Operations and Maintenance Expenses | | | |
| Security | \$ 61,600 | \$ 5,133 | \$ 275 per unit per year |
| Operations and Maintenance Administrative Payroll Costs | \$ - | \$ - | per unit per year |
| Elevator (if any) | \$ - | \$ - | per unit per year |
| Other Mechanical Equipment | \$ 75,000 | \$ 6,250 | \$ 335 per unit per year |
| Interior Painting | \$ 16,800 | \$ 1,400 | \$ 75 per unit per year |
| Routine Repairs and Supplies | \$ 10,000 | \$ 833 | \$ 45 per unit per year |
| Exterminating | \$ 6,500 | \$ 542 | \$ 29 per unit per year |
| Lawn and Landscaping | \$ 25,000 | \$ 2,083 | \$ 112 per unit per year |
| Garbage Removal | \$ 12,000 | \$ 1,000 | \$ 54 per unit per year |
| Snow Removal | \$ - | \$ - | per unit per year |
| Resident Service Cost | \$ 20,000 | \$ 1,667 | \$ 89 per unit per year |
| Other Maintenance Costs | \$ 10,000 | \$ 833 | \$ 45 per unit per year |
| Operations and Maintenance Expenses | \$ - | \$ - | per unit per year |
| Utilities Paid by the Property | | | |
| Electricity | \$ 60,000 | \$ 5,000 | \$ 268 per unit per year |
| Natural Gas, Oil, Other Fuel | \$ - | \$ - | per unit per year |
| Sewer and Water | \$ 26,000 | \$ 2,167 | \$ 116 per unit per year |
| Other Utilities Paid by the Property | \$ - | \$ - | per unit per year |
| Taxes / Insurance / Reserves / Other Expenses | | | |
| Real Estate Taxes | \$ - | \$ - | of EGI (Year 2) |
| Other Taxes and Licenses | \$ - | \$ - | of EGI (Year 2) |
| Property Insurance | \$ 15,000 | \$ 1,250 | \$ 67 per unit per year |
| Reserve for Replacement | \$ 33,600 | \$ 2,800 | \$ 150 per unit per year |
| Operating Reserve | \$ 22,400 | \$ 1,867 | \$ 100 per unit per year |
| Other Operating Expense 1 | \$ - | \$ - | per unit per year |
| Other Operating Expense 2 | \$ - | \$ - | per unit per year |
| Other Operating Expense 3 | \$ - | \$ - | per unit per year |
| Other Operating Expense 4 | \$ - | \$ - | per unit per year |
| Other Operating Expense 5 | \$ - | \$ - | per unit per year |
| Other Operating Expense 6 | \$ - | \$ - | per unit per year |
| TOTAL | \$ 624,132 | \$ 52,011 | 46.4% of EGI (Year 2) |

| | |
|--|-------------|
| Operating Expense Increase per Year | 4.0% |
|--|-------------|

Rent Increase per Year*

| | HOME Units | Market Rate Units | Affordable Units |
|-------------------------------|------------|-------------------|------------------|
| Rent Increase per Year | 3% | 3% | 3% |

* NOTE: Rent increase information is entered on the Rents and Income tab. The information is presented here to allow users to compare increases in rent to increases in operating expenses.

Tests of the Adequacy of Reserve for Replacement**

| | |
|---|-----------|
| Average Capital Needs for Operations per Year | \$ 720 |
| Reserve for Replacement per Year | \$ 33,600 |

Average Capital Needs Test: Reserve sufficient to meet specified average capital needs.

\$720 per Unit, per Year Test: Reserve insufficient to meet \$720 per unit, per year criterion.

** NOTE: This information is presented for informational purposes only. If the reserve for replacement is insufficient to cover average annual capital needs or meet the \$720 per unit per year benchmark, increase contributions toward the reserve for replacement.

Additional Reserve for Replacement Funds (Years 1-5)***

| | |
|--------|--------|
| Year 1 | \$ 720 |
| Year 2 | \$ 720 |
| Year 3 | \$ 720 |
| Year 4 | \$ 720 |
| Year 5 | \$ 720 |

*** Some properties may draw larger-than-average amounts from their reserve for replacement during the first few years of operations. If this will be the case for this project, enter the additional amounts you expect to withdraw from the reserve for replacement for Years 1-5.

Upon completing this tab, proceed to the *Financing Sources* tab.

| Willowbrook Apartments | | | | | | | | | | | | |
|------------------------|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Operating Expenses | | | | | | | | | | | | |
| Budget | July 2011 - June 2012 | | | | | | | | | | | |
| Account # | Title | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 | Jan-12 | Feb-12 | Mar-12 | Apr-12 | May-12 |
| | Rental Income | | | | | | | | | | | |
| 4000 | Apartments | 298440 | 298440 | 298440 | 298440 | 298440 | 298440 | 298440 | 298440 | 298440 | 298440 | 298440 |
| 4002 | Excess Rent | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 |
| | Total Rent revenue potential at 100% occ | 298940 | 298940 | 298940 | 298940 | 298940 | 298940 | 298940 | 298940 | 298940 | 298940 | 298940 |
| | Vacancies | | | | | | | | | | | |
| | Apartments | 38955 | 38955 | 38955 | 38955 | 38955 | 38955 | 18375 | 18375 | 18375 | 18375 | 18375 |
| | Model Units | 1470 | 1470 | 1470 | 1470 | 1470 | 1470 | 1470 | 1470 | 1470 | 1470 | 1470 |
| | Miscellaneous (Loss-to-lease) | 10035 | 10035 | 10035 | 10035 | 10035 | 10035 | 7526.25 | 7526.25 | 7526.25 | 7526.25 | 5017.5 |
| | Total Vacancies | 50460 | 50460 | 50460 | 50460 | 50460 | 50460 | 27371.25 | 27371.25 | 27371.25 | 27371.25 | 24862.5 |
| | Net Rental Revenue less vacancies | 248480 | 248480 | 248480 | 248480 | 248480 | 248480 | 271568.75 | 271568.75 | 271568.75 | 271568.75 | 274077.5 |
| | Other Revenue | | | | | | | | | | | |
| 4060 | Laundry and Vending | 700 | 700 | 700 | 700 | 700 | 700 | 700 | 700 | 700 | 700 | 700 |
| 4100 | Late Charge | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 |
| 4030 | Application Fee | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 |
| 4010 | Forfeited Security Deposits (Tenant) | 900 | 900 | 900 | 900 | 900 | 900 | 900 | 900 | 900 | 900 | 900 |
| 4490 | Other revenue | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 |
| | Total Other revenue | 3900 | 3900 | 3900 | 3900 | 3900 | 3900 | 3900 | 3900 | 3900 | 3900 | 3900 |
| | Total Revenue | 252,380 | 252,380 | 252,380 | 252,380 | 252,380 | 252,380 | 275,469 | 275,469 | 275,469 | 275,469 | 277,978 |
| 5000 | Administrative Salaries | \$ 5,130.66 | \$ 5,130.66 | \$ 5,130.66 | \$ 5,130.66 | \$ 5,130.66 | \$ 5,130.66 | \$ 5,130.66 | \$ 5,130.66 | \$ 5,130.66 | \$ 5,130.66 | \$ 5,130.66 |
| 5010 | Management Fees | \$ 11,821.26 | \$ 11,821.26 | \$ 11,821.26 | \$ 11,821.26 | \$ 11,821.26 | \$ 11,821.26 | \$ 11,821.26 | \$ 11,821.26 | \$ 11,821.26 | \$ 11,821.26 | \$ 11,821.26 |
| 5020 | Manager Salaries | \$ 5,333.25 | \$ 5,333.25 | \$ 5,333.25 | \$ 5,333.25 | \$ 5,333.25 | \$ 5,333.25 | \$ 5,333.25 | \$ 5,333.25 | \$ 5,333.25 | \$ 5,333.25 | \$ 5,333.25 |
| 5012 | Maintenance Manager | \$ 5,039.49 | \$ 5,039.49 | \$ 5,039.49 | \$ 5,039.49 | \$ 5,039.49 | \$ 5,039.49 | \$ 5,039.49 | \$ 5,039.49 | \$ 5,039.49 | \$ 5,039.49 | \$ 5,039.49 |
| 5030 | Clerical Salaries | \$ 8,053.71 | \$ 8,053.71 | \$ 8,053.71 | \$ 8,053.71 | \$ 8,053.71 | \$ 8,053.71 | \$ 8,053.71 | \$ 8,053.71 | \$ 8,053.71 | \$ 8,053.71 | \$ 8,053.71 |
| 5040 | Maintenance Salaries | \$ 13,256.53 | \$ 13,256.53 | \$ 13,256.53 | \$ 13,256.53 | \$ 13,256.53 | \$ 13,256.53 | \$ 13,256.53 | \$ 13,256.53 | \$ 13,256.53 | \$ 13,256.53 | \$ 13,256.53 |
| 5060 | Employee Benefits | \$ 4,760.59 | \$ 4,760.59 | \$ 4,760.59 | \$ 4,760.59 | \$ 4,760.59 | \$ 4,760.59 | \$ 4,760.59 | \$ 4,760.59 | \$ 4,760.59 | \$ 4,760.59 | \$ 4,760.59 |
| 5100 | Advertising | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 |
| 5110 | Office Supplies | \$ 750.00 | \$ 750.00 | \$ 750.00 | \$ 750.00 | \$ 750.00 | \$ 750.00 | \$ 750.00 | \$ 750.00 | \$ 750.00 | \$ 750.00 | \$ 750.00 |
| 5111 | Office Equipment Contract | \$ 400.00 | \$ 400.00 | \$ 400.00 | \$ 400.00 | \$ 400.00 | \$ 400.00 | \$ 400.00 | \$ 400.00 | \$ 400.00 | \$ 400.00 | \$ 400.00 |
| 5119 | Monthly Newsletter | \$ 85.95 | \$ 85.95 | \$ 85.95 | \$ 85.95 | \$ 85.95 | \$ 85.95 | \$ 85.95 | \$ 85.95 | \$ 85.95 | \$ 85.95 | \$ 85.95 |
| 5120 | Dues & Subscriptions | \$ 104.16 | \$ 104.16 | \$ 104.16 | \$ 104.16 | \$ 104.16 | \$ 104.16 | \$ 104.16 | \$ 104.16 | \$ 104.16 | \$ 104.16 | \$ 104.16 |
| 5140 | Telephone & Ans. Service | \$ 484.00 | \$ 484.00 | \$ 484.00 | \$ 484.00 | \$ 484.00 | \$ 484.00 | \$ 484.00 | \$ 484.00 | \$ 484.00 | \$ 484.00 | \$ 484.00 |

| Rents and Income | | Mid City Gardens 2011 | | | | |
|--|-----------------|---------------------------------|---------------------------|---|------------------------------|-----------------------------|
| Unit Characteristics | | | | | | |
| | Number of Units | Gross Rent, per unit, per month | Monthly Utility Allowance | Net Rent After Utilities, per unit, per month | Monthly Rent After Utilities | Annual Rent After Utilities |
| 1 BR High HOME Units | - | \$ - | \$ 90 | \$ (90) | \$ - | \$ - |
| 1 BR Low HOME Units | 14 | \$ 568 | \$ 90 | \$ 478 | \$ 6,692 | \$ 80,304 |
| 2 BR Low HOME Units | 26 | \$ 682 | \$ 100 | \$ 582 | \$15,132 | \$181,584 |
| 3 BR Low HOME Units | 20 | \$ 788 | \$ 123 | \$ 665 | \$13,300 | \$159,600 |
| Total | 60 | NA | | NA | \$ 35,124 | \$ 421,488 |
| Rent Projections | | | | | | |
| | HOME Units | "Other" Affordable Units | | | | |
| Rent Increase per Year | 3% | 0% | | | | |
| Vacancy Year 1 (Lease-Up) | 7% | 7% | | | | |
| Stabilized Vacancy Rate (after Year 1) | 5% | 7% | | | | |

Operating Expenses

Mid City Gardens 2011

| Expense | Annual Cost | Monthly Cost |
|---|-------------|--------------|
| Management Expenses | | |
| Management Fee | \$ 35,000 | \$ 2,917 |
| Management Administrative Payroll Costs | \$ 45,000 | \$ 3,750 |
| Legal Fees | \$ 721 | \$ 60 |
| Accounting / Audit Fees | \$ 2,000 | \$ 167 |
| Advertising / Marketing | \$ 5,000 | \$ 417 |
| Telephone | \$ 5,000 | \$ 417 |
| Office Supplies | \$ 5,000 | \$ 417 |
| Other Administrative Expenses | \$ - | \$ - |
| Other Management Expenses | \$ - | \$ - |
| Operations and Maintenance Expenses | | |
| Security | \$ 60,000 | \$ 5,000 |
| Operations and Maintenance Administrative Payroll Costs | \$ - | \$ - |
| Elevator (if any) | \$ - | \$ - |
| Other Mechanical Equipment | \$ 10,000 | \$ 833 |
| Interior Painting | \$ 10,000 | \$ 833 |
| Routine Repairs and Supplies | \$ 10,000 | \$ 833 |
| Exterminating | \$ 3,000 | \$ 250 |
| Lawn and Landscaping | \$ 10,000 | \$ 833 |
| Garbage Removal | \$ 1,800 | \$ 150 |
| Snow Removal | \$ - | \$ - |
| Resident Service Cost | \$ 20,000 | \$ 1,667 |
| Other Maintenance Costs | \$ 10,000 | \$ 833 |
| Operations and Maintenance Expenses | \$ - | \$ - |
| Utilities Paid by the Property | | |
| Electricity | \$ 12,000 | \$ 1,000 |
| Natural Gas, Oil, Other Fuel | | \$ - |
| Sewer and Water | \$ 5,000 | \$ 417 |
| Other Utilities Paid by the Property | \$ - | \$ - |
| Taxes / Insurance / Reserves / Other Expenses | | |
| Real Estate Taxes | \$ - | \$ - |
| Other Taxes and Licenses | \$ - | \$ - |
| Property Insurance | \$ 5,000 | \$ 417 |
| Reserve for Replacement | \$ 23,800 | \$ 1,983 |

| | | |
|--|-----------|-----------|
| Operating Reserve | \$ 48,960 | \$ 4,080 |
| Other Operating Expense 1 | \$ - | \$ - |
| Other Operating Expense 2 | \$ - | \$ - |
| Other Operating Expense 3 | \$ - | \$ - |
| Other Operating Expense 4 | \$ - | \$ - |
| Other Operating Expense 5 | \$ - | \$ - |
| Other Operating Expense 6 | \$ - | \$ - |
| TOTAL | \$327,281 | \$ 27,273 |
| Operating Expense Increase per Year | 4.0% | |

Rent Increase per Year*

| | HOME Units | Market Rate Units |
|-------------------------------|------------|-------------------|
| Rent Increase per Year | 3% | 3% |

Tests of the Adequacy of Reserve for Replacement

| | |
|---|-----------|
| Average Capital Needs for Operations per Year | \$ 720 |
| Reserve for Replacement per Year | \$ 23,800 |

LOUISIANA HOUSING FINANCE AGENCY

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

RESOLUTION

A resolution regarding hiring of new employees, merit increases, and matters related thereto. (Option 1)

WHEREAS, the Board of Commissioners (Board) is the governing authority for the Louisiana Housing Finance Agency (Agency), and as such establishes the policy for the Agency and controls and directs its activities. Louisiana Housing Finance Act, La. R.S. 40:600.1, et seq.; and

WHEREAS, the President is the chief executive officer of the Agency and responsible for the staff and the staffing plan for the Agency; and

WHEREAS, the President of the Agency is charged with the faithful execution of any policies and directions of the Board; and

WHEREAS, the Governor, by Executive Order BJ 2010-12, instituted a limited hiring freeze for all executive branch agencies funded by appropriations in the 2010 Regular Session of the Legislature; and

WHEREAS, the Governor, by Executive Order BJ 2010-5, instituted a merit increase freeze for all unclassified employees in the executive branch; and

WHEREAS, the state Civil Service Commission instituted a similar merit increase freeze for fiscal year 2010-2011 for classified employees and the Governor is again seeking approval for a merit increase freeze for classified employees for fiscal year 2011-2012; and

WHEREAS, the projected budgets for the Agency show that operating revenues are expected to decline as the Agency transitions out of the special hurricane recovery activities of the past five years; and

WHEREAS, the Board believes that the Agency should begin preparation for the budget challenges in the ensuing years by limiting and/or controlling the growth of the Agency and prudent financial management practices dictate it would be in the best interest of the Agency to implement a hiring and merit increase freeze; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners that:

SECTION 1. No vacancy in an existing or new position of employment within the Agency as authorized by the current staffing plan, that exists on or occurs after the effective date of this Resolution, shall be filled by the President.

SECTION 2. In support of the Governor's call for fiscal responsibility and to the extent that the unclassified employees of the Agency are not subject to Executive Order BJ 2010-5, the authority to award merit increases for all unclassified employee, including the President and Vice President, of the Agency is frozen beginning on the effective date of this resolution.

SECTION 3. This freeze shall not affect any performance planning and review requirement of the Civil Service Rules.

SECTION 4. This Resolution is effective upon adoption by the Board and will remain in effect until amended, modified, terminated or rescinded by the Board.

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

YEAS:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 16th day of March, 2011.

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 (Board), do hereby certify that the foregoing two (2) pages constitute a true and correct copy of a resolution adopted by said Board on March 16, 2011, entitled: “A resolution regarding hiring of new employees, merit increases, and matters related thereto.”

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 16th day of March, 2011.

Secretary

(SEAL)

LOUISIANA HOUSING FINANCE AGENCY

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

RESOLUTION

A resolution regarding hiring of new employees, merit increases, and matters related thereto. (Option 2)

WHEREAS, the Board of Commissioners (Board) is the governing authority for the Louisiana Housing Finance Agency (Agency), and as such establishes the policy for the Agency and controls and directs its activities. Louisiana Housing Finance Act, La. R.S. 40:600.1, et seq.; and

WHEREAS, the President is the chief executive officer of the Agency and responsible for the staff and the staffing plan for the Agency; and

WHEREAS, the President of the Agency is charged with the faithful execution of any policies and directions of the Board; and

WHEREAS, the Governor, by Executive Order BJ 2010-12, instituted a limited hiring freeze for all executive branch agencies funded by appropriations in the 2010 Regular Session of the Legislature; and

WHEREAS, the Governor, by Executive Order BJ 2010-5, instituted a merit increase freeze for all unclassified employees in the executive branch; and

WHEREAS, the state Civil Service Commission instituted a similar merit increase freeze for fiscal year 2010-2011 for classified employees and the Governor is again seeking approval for a merit increase freeze for classified employees for fiscal year 2011-2012; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners that:

SECTION 1. No vacant position of employment within the Agency as authorized by the current staffing plan, that exists on or occurs after the effective date of this Resolution, shall be filled by the Agency unless it is in accordance with the Budget approved by the Board of Commissioners for the fiscal year.

SECTION 2. In support of the Governor's call for fiscal responsibility and to the extent that the unclassified employees of the Agency are not subject to Executive Order BJ 2010-5, the authority to award merit increases for all unclassified employee, including the President and Vice President, of the Agency is frozen beginning on the effective date of this resolution except as authorized by the Board of Commissioners.

SECTION 3. This freeze shall not affect any performance planning and review requirement of the Civil Service Rules.

SECTION 4. This Resolution is effective upon adoption by the Board and will remain in effect until amended, modified, terminated or rescinded by the Board.

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

YEAS:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 16th day of March, 2011.

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 (Board), do hereby certify that the foregoing two (2) pages constitute a true and correct copy of a resolution adopted by said Board on March 16, 2011, entitled: "A resolution regarding hiring of new employees, merit increases, and matters related thereto."

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 16th day of March, 2011.

Secretary

(SEAL)

LOUISIANA HOUSING FINANCE AGENCY

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

RESOLUTION

A resolution regarding the expenditure of funds by the Louisiana Housing Finance Agency and matters related thereto.

WHEREAS, the Board of Commissioners (Board) is the governing authority for the Louisiana Housing Finance Agency (Agency), and as such establishes the policy for the Agency and controls and directs its activities. Louisiana Housing Finance Act, La. R.S. 40:600.1, et seq.; and

WHEREAS, the President is the chief executive officer of the Agency and responsible for the staff and the staffing plan for the Agency; and

WHEREAS, the President of the Agency is charged with the faithful execution of any policies and directions of the Board; and

WHEREAS, the projected budgets for the Agency show that operating revenues are expected to decline as the Agency transitions out of the special hurricane recovery activities of the past five years; and

WHEREAS, the Board believes that the Agency should begin preparation for the budget challenges in the ensuing years by limiting the expenditures of the Agency and prudent financial management practices dictate it would be in the best interest of the Agency to implement an expenditure freeze; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners that:

SECTION 1. All departments of the Agency shall freeze expenditures as provided in this Resolution.

SECTION 2. Unless specifically exempt by a provision of this Resolution or with the authority of the Board, no department of the Agency shall make any expenditure related to the expenditure categories of travel, operating services, supplies, professional services, other charges, acquisition, and major repairs.

SECTION 3. The budget activities that are exempt from the prohibitions set forth in Section 11 of this Resolution are as follows:

- a. All budget activities which are financed directly by federal funds.

- b. Essential field travel and supplies related to compliance monitoring.
- c. Essential expenditures for supplies that total no more than seventy five (75) percent of the initial budget for supplies within the individual departments.
- d. Essential expenditures for maintenance and repairs for Agency owned properties.
- e. Each department head shall prepare and submit to the President within fifteen (15) days of the effective date of this Resolution a detailed list of all anticipated expenses, including but not limited to, contract payments, travel, supplies, maintenance, professional services, training, and insurance, covering the next one hundred twenty five (120) days of operations for his review. If acceptable to the President, he shall submit his recommendation to the Finance Committee for review and recommendation to the Board.

SECTION 4. This ResoLution is effective upon adoption by the Board and will remain in effect until amended, modified, terminated or rescinded by the Board.

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

YEAS:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 16th day of March, 2011.

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 (Board), do hereby certify that the foregoing two (2) pages constitute a true and correct copy of a resolution adopted by said Board on March 16, 2011, entitled: “A resolution regarding the expenditure of funds by the Louisiana Housing Finance Agency and matters related thereto.”

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 16th day of March, 2011.

Secretary

(SEAL)

Louisiana Housing Finance Agency
202 Elderly Risk Share Debt and Loan Balances

| | Issue Date 11/01/03 | 06/30/04 | 06/30/05 | 06/30/06 | 06/30/07 | 06/30/08 | 06/30/09 | 06/30/10 | 12/31/10 | 2/28/2011 |
|---|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Debt | | | | | | | | | | |
| Bonds-2003A Issue | 64,695,000 | 63,550,000 | 60,045,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Bonds-2006A Issue | 0 | 0 | 0 | 21,005,445 | 20,564,634 | 19,293,416 | 17,917,198 | 16,370,980 | 15,165,980 | 15,165,980 |
| Debentures Payable to HUD | 0 | 0 | 0 | 29,020,292 | 29,020,292 | 18,450,032 | 13,828,038 | 13,828,038 | 13,828,038 | 13,714,127 |
| Accrued Interest on Bonds & Debentures | 0 | 216,230 | 208,896 | 286,670 | 1,609,669 | 216,279 | 66,292 | 1,218,496 | 1,528,011 | 1,729,140 |
| Total 202 Debt | 64,695,000 | 63,766,230 | 60,253,896 | 50,312,407 | 51,194,595 | 37,959,727 | 31,811,528 | 31,417,514 | 30,522,029 | 30,609,247 |
| Loans & Accrued Interest | | | | | | | | | | |
| 100% Risk Share & Subordinate-in regular mode | 64,695,000 | 63,268,184 | 60,500,239 | 21,112,870 | 19,667,177 | 18,356,768 | 16,867,410 | 15,136,091 | 14,251,884 | 14,153,774 |
| 100% Risk Share & Subordinate-in work-out mode | 0 | 0 | 0 | 37,170,925 | 37,170,925 | 15,873,663 | 15,873,663 | 15,873,663 | 15,873,663 | 15,676,986 |
| Accrued Interest on Risk Share & Subordinate Loans | 0 | 311,339 | 334,418 | 1,035,522 | 3,266,846 | 1,490,882 | 1,825,185 | 3,303,496 | 3,853,218 | 3,810,865 |
| Financial Statement Journal Entry for Loss Projection | 0 | 0 | 0 | (8,582,889) | (4,184,450) | (3,150,669) | (1,010,844) | (1,082,998) | (1,082,998) | (1,082,998) |
| Total 202 Loans & Accrued Interest | 64,695,000 | 63,579,523 | 60,834,657 | 50,736,428 | 55,920,498 | 32,570,644 | 33,555,414 | 33,230,252 | 32,895,767 | 32,558,627 |
| HOME Loans (repayments are Program Income) | 0 | 4,681,679 | 11,289,652 | 13,408,208 | 13,829,379 | 13,829,379 | 13,829,379 | 13,829,379 | 13,829,379 | 13,829,379 |