



**HOUSING AUTHORITY OF NEW ORLEANS  
BOARD OF COMMISSIONERS  
REGULAR MEETING**

**PRESIDENT DWAYNE G. BERNAL  
VICE PRESIDENT ALICE RIENER  
COMMISSIONER TONI HACKETT ANTRUM  
COMMISSIONER DONNA JOHNIGAN  
COMMISSIONER GLEN M. PILIÉ  
COMMISSIONER VONDA RICE**

**HARMONY OAKS COMMUNITY CENTER  
2514 WASHINGTON STREET, NEW ORLEANS, LA 70115**

**TUESDAY, AUGUST 25, 2015 at 4:00 P.M.**

**AGENDA**

- I. STATEMENT BY GENERAL COUNSEL**
- II. CALL TO ORDER**
- III. ROLL CALL**
- IV. APPROVAL OF THE AGENDA**
- V. APPROVAL OF THE MINUTES OF THE REGULAR MEETING HELD ON JULY 27, 2015**
- VI. EXECUTIVE DIRECTOR'S REPORT**
- VII. COMMITTEE REPORT(S)**
- VIII. ITEMS FOR APPROVAL**

**AUTHORIZATION(S)**

**Resolution #2015-14 – HANO Fiscal Year 2016 Comprehensive Budget**

**Resolution #2015-15 – Approval of Finance Policy**

**Resolution #2015-16 – Award of Contract - Remediation and Demolition of 5312 Constance Demolition**

- IX. COMMENT(S)**
  - Public Comment(s)**
  - Board of Commissioners Comment(s)**
- X. ADJOURNMENT**



**August 25, 2015**

**MEMORANDUM**

**To: Board of Commissioners  
President Dwayne G. Bernal, Vice President Alice Riener,  
Commissioner Glen Pilié, Commissioner Toni Hackett Antrum, and  
Commissioner Vonda Rice**

**Through: Gregg Fortner  
Executive Director**

**From: Sieglinde Chambliss  
Chief Financial Officer**

**Re: HANO Fiscal Year 2016 Comprehensive Budget**

---

The Housing Authority of New Orleans (HANO) hereby submits for approval the Comprehensive Budget for Fiscal Year (FY) 2016. HANO's Comprehensive Budget includes revenues and expenditures for the Central Office Cost Center (COCC), Low Income Public Housing (LIPH) Operations, Housing Choice Voucher Program (HCVP), Capital Fund Program (CFP/RHF), and all anticipated planned programs for FY2016. In order to fund all of the aforementioned programs it will require a reserve contribution of \$4,332,260 to balance the budget. The contribution from the reserve is necessary to complete the Lafitte Senior Village construction as pledged and balance the HCVP program due to the diminished HUD proration factor related to the Administrative Fees.

The FY 2016 operating budget has revenues of \$257,934,447 after the reserve contribution and expenses of \$257,934,447. This budget is balanced and includes all of HANO's known and projected expenses.

The revenue assumptions were conservative. For the LIPH program the current 86% proration factor was applied and for the HCVP program the 80% proration factor was applied. Grant revenues are based on current projects and the projected expenditures during FY 2016. The HCVP program assumes a 98% lease-up rate throughout the fiscal year.

**HOUSING AUTHORITY OF NEW ORLEANS  
BOARD OF COMMISSIONERS  
REGULAR MEETING  
AUGUST 25, 2015**

**RESOLUTION NO. 2015-14**

**WHEREAS**, the Housing Authority of New Orleans (HANO) has prepared its Fiscal Year 2016 Budget; and

**WHEREAS**, HANO finds the proposed total expenditures necessary for an efficient and economical operation, the provision of resident services and the continuation of modernization and development activities; and

**WHEREAS**, the projected total revenue, including HANO reserves, provides sufficient funds to support the Authority's activities as follows:

2016 Total Budgeted Sources:	\$253,602,187
Contributions from Reserves:	<u>\$ 4,332,260</u>
<b>Total 2016 Revenues:</b>	<b>\$257,934,447</b>
<b>2016 Total Budgeted Uses</b>	<b><u>\$257,934,447</u></b>
<b>2016 Net Surplus (Deficit)</b>	<b>\$ - 0 -</b>

**THEREFORE, BE IT RESOLVED**, that the Board of Commissioners of HANO hereby approves the Fiscal Year 2016 Budget in the amount of \$257,934,447 and authorizes the Executive Director to take the necessary measures to place the Fiscal Year 2016 Budget into effect.

Executed this 25<sup>th</sup> day of August, 2015

**APPROVAL:**

---

**DWAYNE G. BERNAL  
PRESIDENT, BOARD OF COMMISSIONERS**



August 13, 2015

INTERNAL MEMORANDUM

TO: Gregg Fortner, Executive Director

From: Sieglinde Chambliss, CFO

RE: HANO Fiscal Year 2016 Budget

The Housing Authority of New Orleans (HANO) hereby submits for approval the Comprehensive Budget for fiscal year (FY) 2016. The HANO's comprehensive budget includes revenues and expenditures for the Central Office Cost Center (COCC), Low Income Public Housing (LIPH) Operations, Housing Choice Voucher Program (HCVP), Capital Fund Program (CFP/RHF) and all anticipated planned programs for FY2016. The budget will fund all of the aforementioned programs require a reserve contribution of \$4,332,260 to balance the budget. The contribution from the reserve is necessary to complete the Lafitte Senior Village construction as pledged and balance the HCVP program due to the diminished HUD proration factor related to the Admin Fees.

The FY 2016 operating budget has revenues of \$257,934,447 after the reserve contribution and expenses of \$257,934,447. This budget is balanced and includes all of the HANO's known and projected expenses.

The revenue assumptions were conservative. For the LIPH program the current 86% proration factor was applied and for the HCVP program the 80% proration factor was applied. Grant revenues are based current projects and the projected expenditures during FY 2016. The HCVP program assumes a 98% lease up rate throughout the fiscal period.

**BUDGET RESOLUTION SUMMARY**  
**A Resolution Approving the 2016 Budget of the**  
**Housing Authority of New Orleans**

The fiscal year 2016 budget of the Housing Authority of New Orleans (HANO) was developed over the course of the past 2 months, and required the collaboration and input of all of the Authority's various departments and sites. Each department and site took part in training sessions and one-on-one meetings with finance personnel that assisted them in formulating their forecasts for their fiscal year 2016 funding needs. These budget requests were created based largely on previous experience, as well as actual financial information from the current fiscal year and the expectation of certain assumptions in fiscal year 2016. Some of these assumptions include: an expectation that the Authority will receive 86% of its total subsidy eligibility in the Low Income Public Housing Program (LIPH) and 80% in HCVP for its administrative fees. The average adjusted occupancy rate will be 98% in the public housing program, including both HANO-managed and privately managed communities.

This information, as well as information derived from both internal reporting and external HUD documentation, was combined and used in conjunction with the requirements of HUD's OFR (Operating Fund Rule) and Site Based Management requirements, in order to create our total Authority budget.

The operations of the Authority include the core business of leasing and managing low-income public housing developments, as well as administering a very large housing voucher program within the city of New Orleans. This also includes the various support departments that are necessary to conduct the seamless and transparent functions necessary to facilitate that core business. The operating budget can be subdivided into three main sections: Low income public housing sites (LIPH), the COCC (Central Office Cost Center) and the Housing Choice Voucher Program (commonly referred to as Section 8). In addition to these operational components is the Authority's capital program, which is the fourth major component of this operations budget.

The LIPH program contains the Authority's 11 public housing communities and the 20 mixed finance (MF) communities of which 3 MF communities will be coming online in FY2016. The program has total budgeted revenue of \$15.5M and total budgeted expenditures of \$14.9M. A contribution to the reserves is anticipated for \$0.6M. There are two main sources of funding for this program, the largest being operating subsidy received from HUD and the other coming from the rents that are received from the tenants in the various communities.

The second component of the total operating budget is the Housing Choice Voucher program. This program manages approximately 18,004 vouchers (all types of vouchers) with funding provided to the Authority by HUD that enable our residents in the program to secure housing in the general rental market, as opposed to only HANO's communities. This gives our residents more choices to meet their individual housing needs. This program is funded by HUD based upon program funding rules. For fiscal year 2016, we project that funding will be approximately \$170.5M. The anticipated expenses from this program are

\$171.2 million. These figures generally comprise \$159.0M in housing assistance payments (HAP) to landlords, and \$12.2M in operational expenditures to operate and administer the program. The HCV Program requires a reserve contribution of \$0.7M in order to balance the budget.

The third major component of the total operating budget is the HANO Central Office, or COCC, which consists of the support departments within the Authority that provide service to both our internal and external customers. The COCC has total budgeted revenue of \$11.7M. In order to facilitate and properly support the activities of the authority, the COCC will focus on improving interdepartmental communications as well as improved communications with our external partners. The funds needed to support the COCC come from the fees that the central office charges to the LIPH and the HCVP Program based upon guidelines set forth by HUD under the Operating Fund Rule. The COCC has a balanced budget.

The fourth and final component of the budget is the \$66M of grants funds related to the capital modernization and development activity that the Authority intends to embark upon in the coming fiscal year. Major development activity is planned in the communities of Iberville, Lafitte, and Guste III, with smaller development activity planned at BW Cooper and Florida. Also included in the total capital budget is the modernization activity that the Authority deems necessary to keep its housing stock both compliant with regulations as well as physically up to current market standards. A contribution from the pledged HCVP Admin Fee Reserve for \$4.2M is required to balance the budget. The funds were pledged and approved by HUD in the 2009 901 Budget for the Lafitte Elderly Project.

# Budget Summary and Highlights

## FY 2016 Comprehensive Budget Overview

---

Highlights and assumptions used in developing HANO's 2016 Operating Budget are as follows:

- HANO's FY 2016 Budget is compiled in accordance with the requirements of HUD's asset management budgeting requirements.
- Core Functional Areas:
  - Low Income Public Housing
  - Housing Choice Voucher Program
  - Development and Modernization Activity
  - Central Office Cost Center
- FY 2015 Comprehensive Operating Budget totals \$253.6M in total revenues. It is projected to infuse a net of \$4.2M from reserves.
- HUD grants totaling \$31.3 million will support capital improvements and redevelopment efforts at the Iberville, Guste, Lafitte, BW Cooper (Marrero Commons), and Interior/Exterior repairs, site improvements at Guste High Rise, and demolition at Cooper and Florida and Scattered Sites communities.
- FEMA funding of \$20.8M will support capital improvements and redevelopment efforts at the Guste Phase III, Lafitte Elderly and scatters sites communities.
- HANO continues implementation of the Choice Neighborhood Initiative Grant to revitalize the Iberville/Treme community. Initial funding was provided by HUD in the amount of \$30M. Planned expenditures for FY16 are 12.3M.
- Operating subsidy is based on an estimated 3,130 units (Active PH and ARF units) in PIC beginning at FY 16 Budget cycle for the public housing program and budgeted at \$11.1M of which \$2.2M are from Asset Repositioning fees from demolished properties (BW Cooper, St. Bernard, Florida, Guste Low Rise, All Scattered Sites and Iberville). HUD permits a transfer of Capital Funds to be used for Operations. The FY2016 contribution totals \$1.0M.
- HANO will administer 18,004 Housing Choice Vouchers in FY2016 with projected HAP subsidy of \$159.0M. HANO uses the HCVP reserves held at HUD for any congressional budget shortfall.
- We anticipate a continuation in the substantial reductions in congressional appropriations for affordable housing programs. The following have been kept the same or slightly increased/decreased due to these factors:
  1. Public Housing Subsidy – funded currently at 85.46%. The current CY2015 proration rate is 3.33% lower compared to the CY2014 final rate of 88.79%. To begin the outlook towards next year's budget is less ARF will be received, and HANO may review how much of the

scare resources from the Capital Fund program will have to be pulled in for operations beyond FY2016. The new Capital Fund rule permits HANO to take 20% of its allocation to subsidize the proration loss for operation subsidy from the LIPH program.

2. Housing Choice Voucher Administrative Fees – currently funded at 79%. HANO anticipates that Congress will increase the funding proration beyond the 79% proration as a result of the April 17, 2015 release of the HCVP Administrative Fee Study. The report suggested a 95% coverage of costs. HANO actively follows the appropriation act for FY2016.

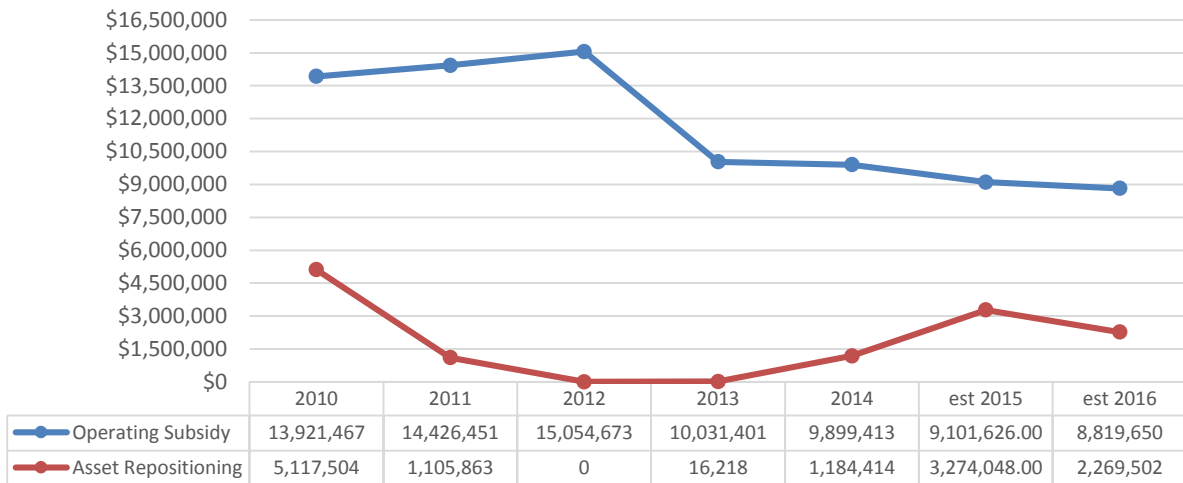
3. Capital Fund Program – reductions of 43.5% from 2010 to 2015, with corresponding reductions in capital administrative funds for COCC and Management Improvement Opportunities. The reduction from 2014 to 2015 allocation was 9.97%. We are uncertain at this point if the formula has stabilized as we are still demolishing old structures while at the same time we are adding new structures.

➤ The FY 2014 had 287 staff positions budgeted. The FY 2015 budget was approved for 245 positions. The FY 2016 Budget proposes 237 positions. This is an overall reduction of 8 positions of which 4 positions are vacant.

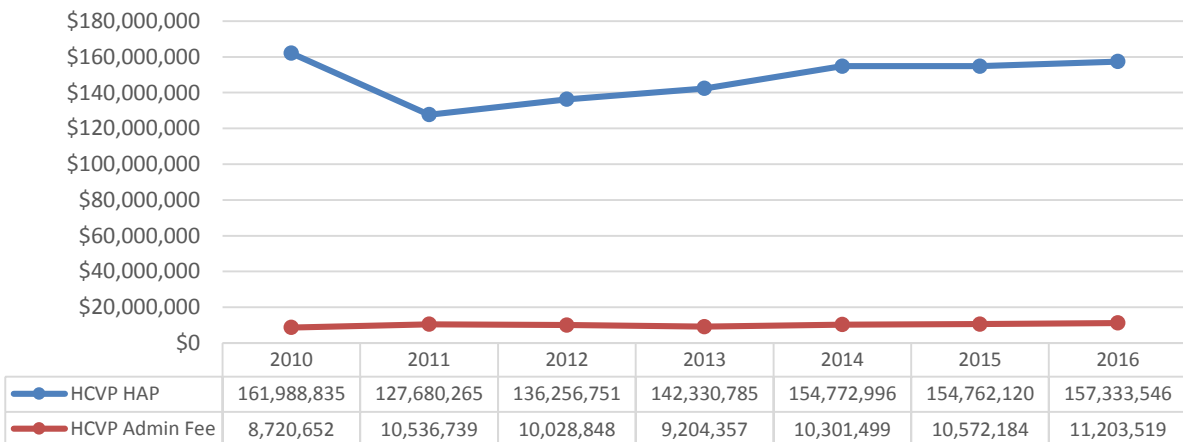


## CY/FY 2010 – 2016 Funding Trends

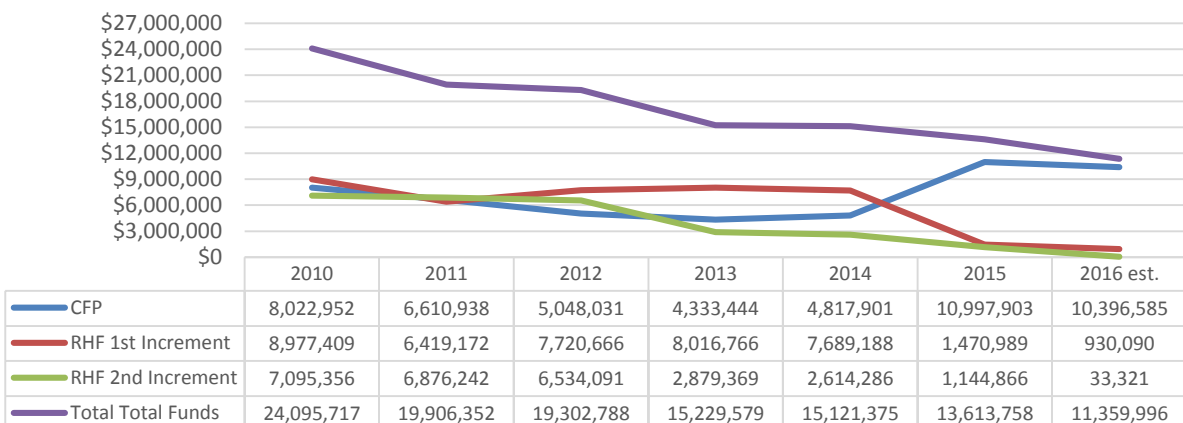
### CY 2010-2016 LIPH Funds



### CY 2010-2016 HCVP Funds

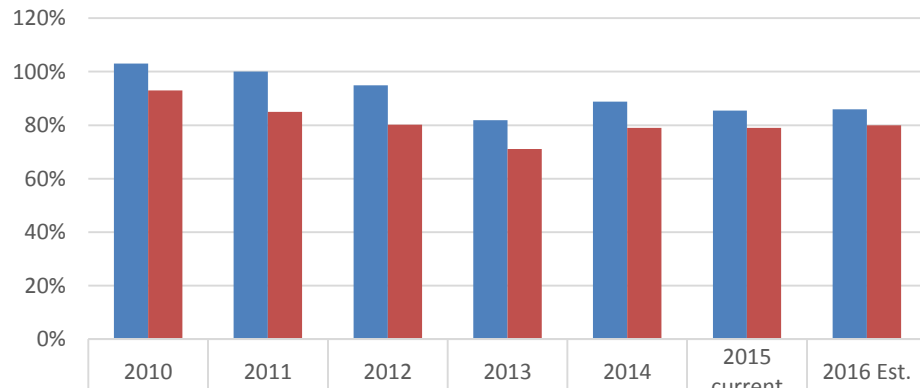


### FY 2010 - 2016 Capital Funds



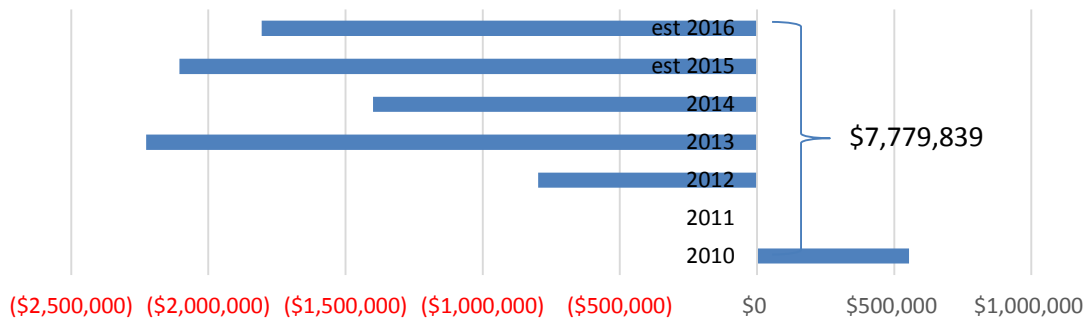
### CY 2010 – 2016 Proration in % and \$'s

CY 2010 - 2016 HUD Proration for LIPH and HCVP



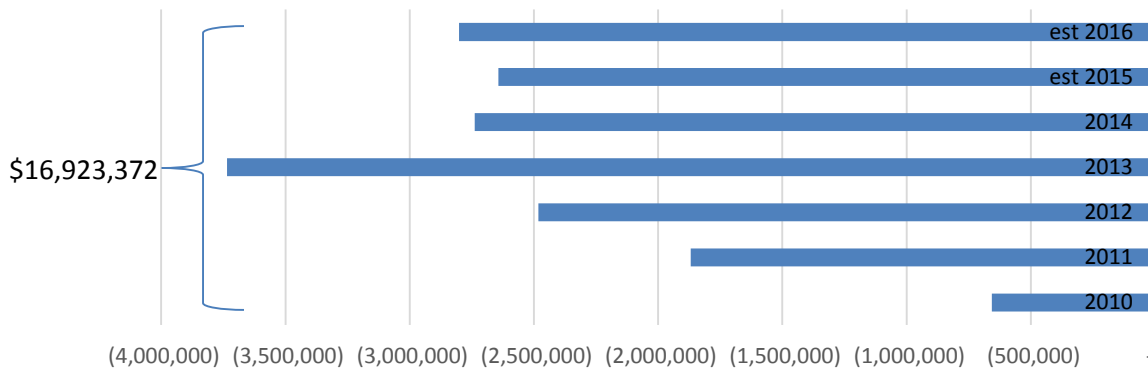
■ HUD Proration on LIPH	103.00%	100.00%	94.968%	81.86%	88.79%	85.46%	86.00%
■ HCVP Proration on Admin Fee	93.00%	84.938%	80.163%	71.1365%	79.001%	79.000%	80.000%

CY 2010 - 2016 LIPH Proration Loss In \$'s



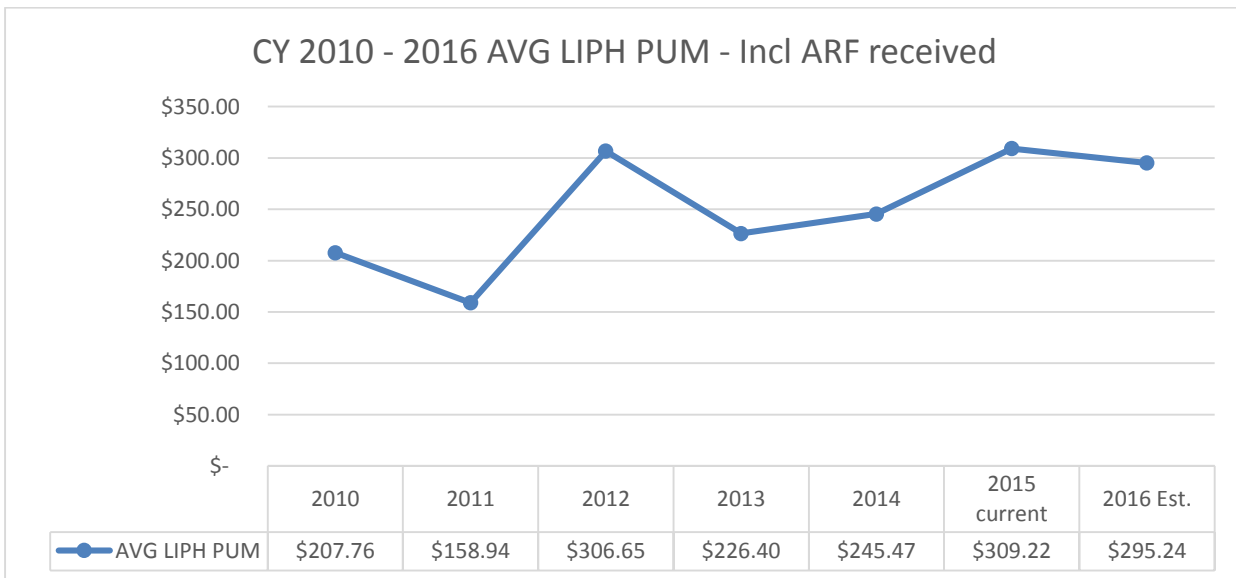
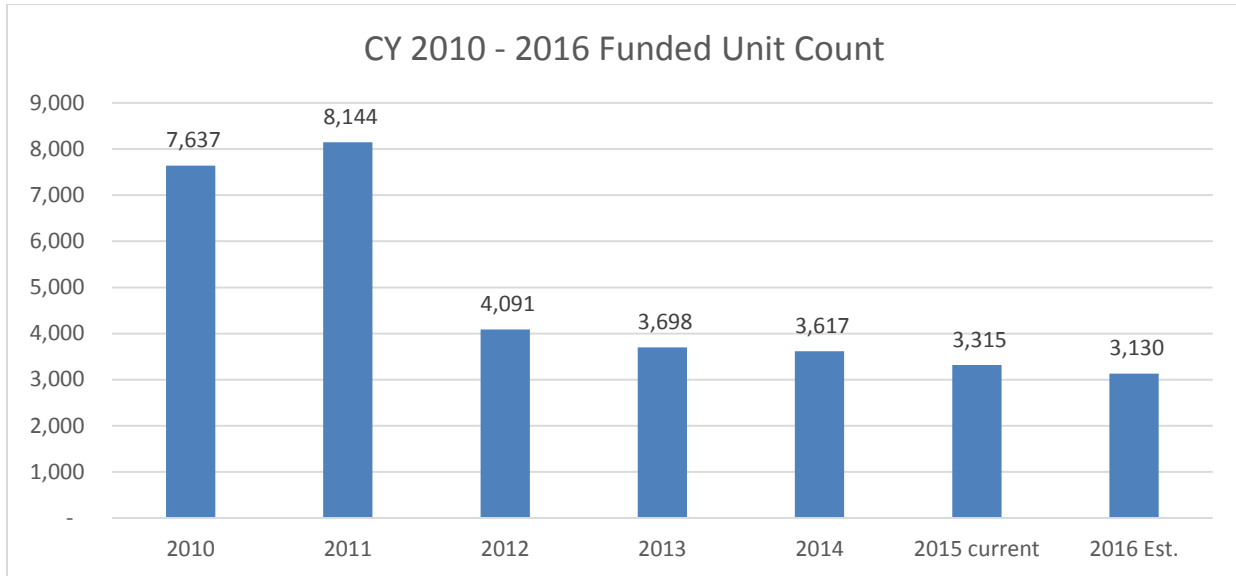
■ Proration Loss	2010	2011	2012	2013	2014	est 2015	est 2016
	554,533	-	(797,691)	(2,226,531)	(1,399,366)	(2,105,573)	(1,805,211)

CY 2010 - 2016 HCVP Admin Fee Proration Loss in \$'s

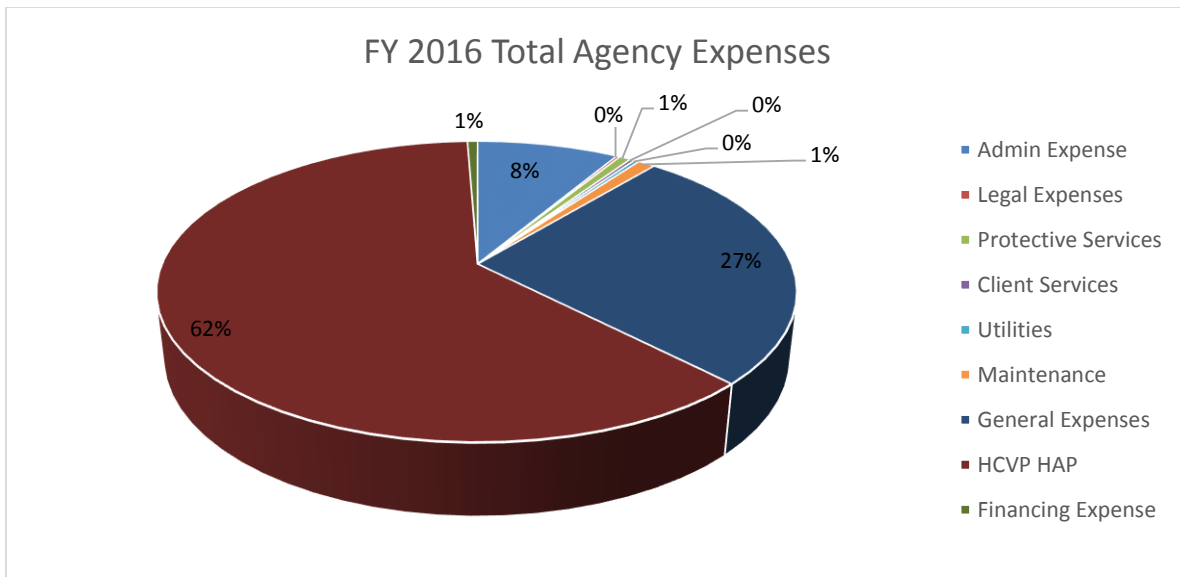
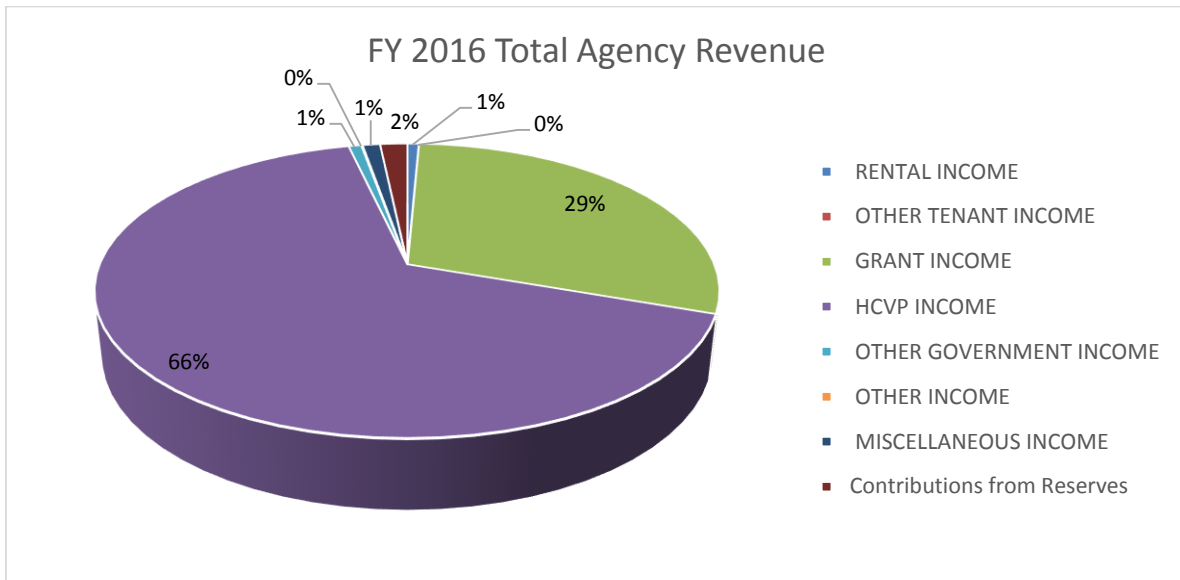


■ Proration Loss	2010	2011	2012	2013	2014	est 2015	est 2016
	(656,393)	(1,868,473)	(2,481,722)	(3,734,650)	(2,738,208)	(2,643,046)	(2,800,880)

## LIPH Unit Funding Information



## Where do the funds come from and how are they spent?



**Housing Authority of New Orleans (LA001) FY 2016 Budget**

<b>Housing Authority of New Orleans (LA001) FY 2016 Budget</b>												
	<b>AMP Operating Budgets</b>						<b>CFP/RHF Budgets</b>			<b>AMP budget</b>		
	<b>Asset Management Project</b>	<b>AMP Number</b>	<b>PH Units</b>	<b>Total Revenues</b>	<b>Total Expenses</b>	<b>Surplus/Deficit</b>	<b>Total Revenue</b>	<b>Total Expenses</b>	<b>Surplus/Deficit</b>	<b>Total Revenues</b>	<b>Total Expenses</b>	<b>Surplus/Deficit</b>
<b>HANO Owned HANO Managed</b>	Downtown Scattered Sites	LA001-099103	29	350,190	331,094	19,096	371,391	371,391	0	721,581	702,485	19,096
	Uptown Scattered Sites	LA001-099104	40	457,826	446,761	11,065	373,187	373,187	0	831,013	819,948	11,065
	Westbank Scattered Sites	LA001-099105	16	194,560	218,292	(23,732)	369,275	369,275	0	563,835	587,567	(23,732)
	Florida	LA001-022804	52	376,597	544,287	(167,690)	631,476	631,476	0	1,008,073	1,175,763	(167,690)
	Fischer I	LA001-071601	0	49,030	49,030	0	0	0	0	49,030	49,030	0
	Fischer III	LA001-072602	0	416,544	416,544	0	275,000	275,000	0	691,544	691,544	0
	Guste I	LA001-015401	0	260,779	234,701	26,078	260,000	260,000	0	520,779	494,701	26,078
	Fischer IV	LA001-016603	10	671,122	639,003	32,119	12,630	12,630	0	683,752	651,633	32,119
	Fischer IVA	LA001-016604	16	331,379	221,376	110,003	2,608	2,608	0	333,987	223,984	110,003
Fischer Senior Village	LA001-106210	100	560,600	978,279	(417,679)	166,300	166,300	0	726,900	1,144,579	(417,679)	
<b>HANO Vacant Sites</b>	C.J PEETE Demo	LA001-002802	0	-	15,830	(15,830)	0	0	0	0	15,830	(15,830)
	Iberville	LA001-003102	0	3,183,609	466,781	2,716,828	2,078,706	2,078,706	0	5,262,315	2,545,487	2,716,828
	Florida Conventional	LA001-004107	0	157,785	129,581.00	28,204	0	0.00	0	157,785	129,581	28,204
	Lafitte Demo	LA001-005804	0	-	10,110	(10,110)	0	0	0	0	10,110	(10,110)
	B. W. Cooper	LA001-007303	0	149,583	136,211	13,372	0	0	0	149,583	136,211	13,372
	B. W. Cooper Demo	LA001-007801	0	-	9,704	(9,704)	0	0	0	0	9,704	(9,704)
	St. Bernard Demo	LA001-008808	0	0	16,473	(16,473)	0	0	0	0	16,473	(16,473)
	Guste Low Rise	LA001-200153	0	0.00	2,617.00	(2,617)	0	0.00	0	0	2,617	(2,617)
	Scattered Sites Demo	LA001-025805	0	26,711	889,721	(863,010)	0	0	0	26,711	889,721	(863,010)
	Florida Demo	LA001-067807	0	121,943	20,922	101,021	0	0	0	121,943	20,922	101,021
	Desire	LA001-014809	0	0	100,000	(100,000)	0	0	0	0	100,000	(100,000)
	Chris Park	LA001-003099	0	0	41,700	(41,700)	0	0	0	0	41,700	(41,700)
	Press Park Demo	LA001-003299	0	0	99,192	(99,192)	0	0	0	0	99,192	(99,192)
<b>HANO Owned PM</b>	Heritage @ Columbia Parc	LA001-008710	120	67,323	60,004	7,319	3,219,560	3,219,560	0	3,286,883	3,279,564	7,319
	Guste High Rise	LA001-015301	385	2,510,685	2,510,685	0	412,755	412,755	0	2,923,440	2,923,440	0
	Guste II	LA001-015402	16	205,182	205,182	0	2,608	2,608	0	207,790	207,790	0
<b>HANO Affiliate Properties</b>	Fischer III	LA001-072602	67	859,537	1,105,130	(245,593)	10,921	10,921	0	870,458	1,116,051	(245,593)
	Guste I	LA001-015401	67	234,701	512,749	(278,048)	10,921	10,921	0	245,622	523,670	(278,048)
	Guste III	LA001-015403	109	0	176,828	(176,828)	4,017,767	4,017,767	0	4,017,767	4,194,595	(176,828)
	Fischer I	LA001-071601	8	186,300	209,873	(23,573)	1,304	1,304	0	187,604	211,177	(23,573)
<b>3rd Pary Managed</b>	Harmony Oaks	LA001-002709	193	634,481	613,277	21,204	31,459	31,459	0	665,940	644,736	21,204
	Lafitte I	LA001-005705	74	276,376	271,237	5,139	12,062	12,062	0	288,438	283,299	5,139
	Lafitte II	LA001-005706	67	507,907	497,436	10,471	10,921	10,921	0	518,828	508,357	10,471
	Columbia Parc	LA001-008707	157	501,055	476,002	25,053	25,591	25,591	0	526,646	501,593	25,053
	Columbia Parc IIA	LA001-008708	16	57,420	56,469	951	2,608	2,608	0	60,028	59,077	951
	Columbia Parc IIB	LA001-008709	19	32,108	32,783	(675)	3,097	3,097	0	35,205	35,880	(675)
	Savoy I	LA001-014713	105	393,012	385,481	7,531	167,115	167,115	0	560,127	552,596	7,531
	Savoy II	LA001-014716	107	395,820	376,029	19,791	167,441	167,441	0	563,261	543,470	19,791
	River Gardens I	LA001-058701	297	329,289	352,749	(23,460)	48,411	48,411	0	377,700	401,160	(23,460)
	River Gardens II	LA001-077712	60	260,511	259,017	1,494	9,780	9,780	0	270,291	268,797	1,494
	Iberville I	LA001-003103	56	-	6,720	(6,720)	1,063,726	1,063,726	0	1,063,726	1,070,446	(6,720)
	Iberville II	LA001-003104	25	-	2,250	(2,250)	783,398	783,398	0	783,398	785,648	(2,250)
	Abundance Square	LA001-081702	47	201,240	196,938	4,302	157,661	157,661	0	358,901	354,599	4,302
	Treasure Village	LA001-082703	23	86,230	81,919	4,311	153,749	153,749	0	239,979	235,668	4,311
	Marrero Commons IA	LA001-007501	90	328,154	322,546	5,608	14,670	14,670	0	342,824	337,216	5,608
	Marrero Commons IB	LA001-007502	53	172,192	169,942	2,250	8,639	8,639	0	180,831	178,581	2,250
St Thomas	LA001-001806	0	0	8,498	(8,498)	0	0	0	0	8,498	(8,498)	
Lafitte Senior	LA001-005711	30	0	0	0	571,105	571,105	0	571,105	571,105	0	
<b>Planned Units-PM</b>	Iberville III	LA001-003105	36	0	0	0	6,275,378	6,275,378	0	6,275,378	6,275,378	0
	Iberville IV		38	0	0	0	6,000,000	6,000,000	0	6,000,000	6,000,000	0
	Iberville V		24	0	0	0	750,000	750,000	0	750,000	750,000	0
	Iberville VI		17	0	0	0	750,000	750,000	0	750,000	750,000	0
	Iberville VII		36	0	0	0	0	0	0	0	0	0
	Other AMPs		0	0	0	0	0	0	0	0	0	0
<b>Grand Total (excl Planned)</b>			<b>2,454</b>	<b>15,547,781</b>	<b>14,907,953</b>	<b>639,828</b>	<b>29,223,220</b>	<b>29,223,220</b>	<b>0</b>	<b>44,771,001</b>	<b>44,131,173</b>	<b>639,828</b>

## **Development and Modernization Activity**

### **Completed:**

- Marrero Commons (BW Cooper) Phase I & II total of 410 units of which 143 are PH units
- Columbia Parc Senior (St. Bernard III) total of 120 units of which 36 are PH, 83 are PBV and 1 affordable
- 1501 Canal (Texaco) total of 112 PBV
- Harmony Oaks (CJ Peete) Homeownership total of 22 units
- Acquisition of the former Winn Dixie for development of Iberville offsite units
- Exchange of former Mondy School with Orleans Parish School Board for development of Iberville offsite units

### **In Progress and funded during FY15-16:**

- Various MOD Projects at Fischer, Guste and Scattered Sites for \$1M
- Iberville Phase I and II total of 227 units of which 81 are PH and the remainder are tax credit and market rate \$66M
- Iberville Phase III total of 105 units of which 36 are PH and the remainders are tax credit and market rate \$31M
- BW Cooper Demolition \$1.6M
- Lafitte Senior for a total of 100 units \$27M
- Lafitte Homeownership approx. 45 units \$16M
- Guste III 155 units \$45M
- Florida Demolition \$500,000
- Florida total of 52 units all PH \$13M
- Scattered Sites Demolition \$1 M

### **Planned projects:**

- Iberville IV-VII On-Site for approx. \$115M approx. 232PH Units, 72 PBV, 400+ Market Rate and Affordable Housing
- Iberville Off-site phases for approx. \$45M 100+ PH units, 250 PBV
- BW Cooper Phase II for approx. \$3.5M
- Various MOD Projects at Fischer, Guste and Scattered Sites for \$6M
- St. Bernard IV Infrastructure \$3.2M
- Scattered sites redevelopment \$3M

## Total Agency FY2016 Budget with Detail Line Items

Revenue	Total COCC	Total LIPH	HCVF	Total Other Governmental Grants HUD	State/Local	Subtotal of All Programs	Elimination	Total Agency Revenue/ Expenses
RENTAL INCOME	-	1,794,009	-	-		1,794,009		1,794,009
OTHER TENANT INCOME	-	37,600	-	-		37,600		37,600
GRANT INCOME	1,009,516	12,102,732	-	63,973,341		77,085,589	(700,275)	76,385,314
HCVF INCOME	-	-	170,413,596	-		170,413,596		170,413,596
OTHER GOVERNMENT INCOME	-	-	-	-	2,000,000	2,000,000		2,000,000
OTHER INCOME	16,000	163,400	22,000	-		201,400		201,400
FEE INCOME-COCC	9,517,968	-	-	-		9,517,968	(9,517,968)	-
MISCELLANEOUS INCOME	1,220,228	1,450,040	100,000	-		2,770,268		2,770,268
<b>TOTAL REVENUE</b>	<b>11,763,712</b>	<b>15,547,781</b>	<b>170,535,596</b>	<b>63,973,341</b>	<b>2,000,000</b>	<b>263,820,430</b>	<b>(10,218,243)</b>	<b>253,602,187</b>
<b>Expenses</b>								
ADMINISTRATIVE SALARIES	4,919,806	353,061	4,998,101	168,002		10,438,970		10,438,970
ADMINISTRATIVE BENEFITS	715,774	77,949	1,088,810	25,309		1,907,842		1,907,842
LEGAL EXPENSE	87,000	339,600	103,000	-		529,600		529,600
ADMIN OFFICE EXPENSES	488,468	88,754	488,456	6,441		1,072,119		1,072,119
FEE EXPENSES-COCC	-	1,069,841	4,108,039	-		5,177,880	(5,177,880)	-
CONSULTING & OTHER CONTR	1,104,204	6,479,813	570,158	1,301,292		9,455,467	(1,656,616)	7,798,851
OTHER ADMIN EXPENSES	144,632	260,010	36,850	323,700		765,192		765,192
TS-SALARIES/BENEFITS	460,411	138,601	-	-		599,012		599,012
TS-RESIDENT SERVICES	17,950	402,744	226,102	-		646,796	(628,846)	17,950
PROGRAM & ACTIVITIES	75,000	21,145	3,000	-		99,145		99,145
UTILITIES	186,500	560,272	-	-		746,772		746,772
MAINTENANCE SALARIES	820,725	1,598,805	-	-		2,419,530	(1,159,200)	1,260,330
MAINTENANCE BENEFITS	176,881	89,839	-	-		266,720		266,720
MAINT GENERAL	63,920	26,040	30,000	-		119,960		119,960
MAINT MATERIALS	58,670	150,750	-	-		209,420		209,420
MAINT CONTRACT COSTS	316,400	517,960	-	-		834,360		834,360
PROTECTIVE SERVICES (PS)	1,258,667	-	-	-		1,258,667		1,258,667
PS-BENEFITS	237,363	-	-	-		237,363		237,363
PS-OTHER EXPENSES	240,608	1,425,120	203,068	-		1,868,796	(1,595,701)	273,095
GENERAL EXPENSES	308,233	1,237,107	230,189	1,973		1,777,502		1,777,502
GENERAL EXPENSES-OTHER	82,500	70,542	-	64,851,551	2,000,000	67,004,593		67,004,593
HOUSING ASSISTANCE PAYMENTS	-	-	159,140,430	-		159,140,430		159,140,430
FINANCING EXPENSE	-	-	-	1,576,554		1,576,554		1,576,554
<b>TOTAL EXPENSES</b>	<b>11,763,712</b>	<b>14,907,953</b>	<b>171,226,203</b>	<b>68,254,822</b>	<b>2,000,000</b>	<b>268,152,690</b>	<b>(10,218,243)</b>	<b>257,934,447</b>
<b>SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>639,828</b>	<b>(690,607)</b>	<b>(4,281,481)</b>	<b>-</b>	<b>(4,332,260)</b>	<b>-</b>	<b>(4,332,260)</b>
<b>Contribution from / (to) Reserves</b>	<b>-</b>	<b>(639,828)</b>	<b>690,607</b>	<b>4,281,481</b>	<b>-</b>	<b>4,332,260</b>	<b>-</b>	<b>4,332,260</b>
<b>SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

We are pleased to present the fiscal year 2016 Housing Authority of New Orleans Budget, which will allow the Authority to continue to work towards its mission of being the flagship agency providing property management and real estate development services in the City of New Orleans, thereby creating environments that improve the quality of life for HANO customers and the surrounding communities. We believe that this budget provides the Authority the opportunity to address its long-term strategic goals, as well as to meet the needs and best interests of its residents.

**FY 2016 Operating Budget  
Comparative Staffing Summary  
FY2014-2016**

Division	Department	FY14 Budget	FY15 Approved Budget	FY16 Proposed Budget	15 - 16 Variance	Reduction from vacancies
<b>Executive &amp; Administration</b>						
	Executive	8	4	4	0	0
	Legal	8	7	6	-1	-1
	Strategic Planning	2	2	2	0	0
	CNI	1	1	2	1	0
	Real Estate	12	13	13	0	0
	Finance	22	15	14	-1	0
	Procurement	4	4	4	0	0
	Info Technology	6	6	6	0	0
	Human Resources	6	3	3	0	0
	Communications	<u>2</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>0</u>
<b>Subtotal</b>		<b>71</b>	<b>57</b>	<b>56</b>	<b>-1</b>	<b>-1</b>
<b>Operations</b>						
	Asset Management	12	12	11	-1	-1
	Facilities	4	6	6	0	0
	Maintenance	13	16	18	2	0
	Client Services*	10	11	12	1	0
	HANO Police	28	19	22	3	0
	Compliance & Investigation*	<u>1</u>	<u>2</u>	<u>6</u>	<u>4</u>	<u>0</u>
<b>Subtotal</b>		<b>68</b>	<b>66</b>	<b>75</b>	<b>9</b>	<b>-1</b>
<b>HCVP</b>						
	Housing Choice Voucher*	<u>148</u>	<u>122</u>	<u>106</u>	<u>-16</u>	<u>-2</u>
<b>Subtotal</b>		<b>148</b>	<b>122</b>	<b>106</b>	<b>-16</b>	<b>-2</b>
<b>Total</b>		<b>287</b>	<b>245</b>	<b>237</b>	<b>-8</b>	<b>-4</b>

\*5 FTE shifted from HCVP to Compliance (4) and Client Services (1)

Sal Budget FY14: \$14,210,712

Sal Budget FY15: \$12,393,670

Sal Budget FY16: \$12,379,987

**Net decr. in Sal = \$ 13,683 number is net after sal savings from layoff and step increases**



# Housing Authority of New Orleans

## FY 2016 Original Operating Budget Timeline

<b>Date</b>	<b>Description</b>
May 5, 2015	Budget Kickoff Meeting with all Directors, Budget packets distributed to department heads in hard copy during budget kickoff meeting and electronic formats forwarded on same day.
May 5 – May 22, 2015	Departments prepared budgets in the provided templates
May 26 - June 10, 2015	Finance met with each Division head and/or designee in preparation of required submittals and supporting documents.
June 19 – June 26, 2015	Finance department reviewed all documents and compiled First Draft of budget; presented to and reviewed with Executive Director.
June 27 – July 2, 2015	Finance and Department Heads meet to review budgets and make necessary revisions based on fund availability.
July 8, 2015	Second Draft of Budget prepared and reviewed with Executive Director.
July 9 – July 24, 2015	Individual departmental budget meetings were held with the Executive Director and all changes were process. Final Revisions made to budget and final Budget Prepared.
Jul 28, 2015	A final budget was presented to the Executive Director
August 13, 2015	FY 2016 Budget packet is submitted and presented to the Finance Committee.
Aug 25, 2015	Present the FY 2016 Budget Resolution to the Board
October 1, 2015	Start of FY 2016



**August 25, 2015**

**MEMORANDUM**

**To: Board of Commissioners  
President Dwayne G. Bernal, Vice President Alice Riener,  
Commissioner Glen Pilié, Commissioner Toni Hackett Antrum, and  
Commissioner Vonda Rice**

**Through: Gregg Fortner  
Executive Director**

**From: Sieglinde Chambliss  
Chief Financial Officer**

**Re: Approval of Finance Policy**

---

The Board of Commissioners approved the Fixed Assets Policies and Procedures Manual, Accounts Payable Policies and Procedures Manual, and the Accounts Receivable Policies and Procedures Manual by Resolution No. 2010-57, and the Internal Controls Policy by Resolution No. 2010-60. The Finance Department has conducted an extensive review of all policies and procedures and has determined that several are now outdated.

In an effort to streamline the process of maintaining up-to-date procedures, Finance is recommending approval and implementation of a general Finance Policy, which also permits the Executive Director to periodically approve changes to specific procedures that may be affected by new regulations, changes in regulations, changes by the Government Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB) for accounting treatment of transactions, and new HUD guidance or improved business practices as a result of upgrades/changes in accounting software.

The proposed Finance Policy identifies all functional areas that will be addressed with the updated procedures.

The proposed Finance Policy will replace the Fixed Assets Policies and Procedures Manual, Accounts Payable Policies and Procedures Manual, Accounts Receivable Policies and Procedures Manual, and the Internal Controls Policy adopted in 2010.

**HOUSING AUTHORITY OF NEW ORLEANS  
BOARD OF COMMISSIONERS  
REGULAR MEETING  
AUGUST 25, 2015**

**RESOLUTION NO. 2015-15**

**WHEREAS**, the Board of Commissioners approved the Fixed Assets Policies and Procedures Manual, Accounts Payable Policies and Procedures Manual, and the Accounts Receivable Policies and Procedures Manual by Resolution No. 2010-57, and the Internal Controls Policy by Resolution No. 2010-60; and

**WHEREAS**, the Finance Department has conducted an extensive review of all policies and procedures and has determined that several are now outdated; and

**WHEREAS**, in order to streamline the process of maintaining up-to-date procedures, Finance is recommending approval and implementation of a general Finance Policy, which also permits the Executive Director to periodically approve changes to specific procedures that may be affected by new regulations, changes in regulations, changes by the Government Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB) for accounting treatment of transactions, and new HUD guidance or improved business practices as a result of upgrades/changes in accounting software; and

**WHEREAS**, upon adoption, the Finance Department will establish new procedures by major functionalities as outlined in the Finance Policy; and

**WHEREAS**, the Executive Director will approve any procedures as updated from time to time to reflect all necessary and required changes.

**THEREFORE, BE IT RESOLVED**, that the Board of Commissioners of the Housing Authority of New Orleans hereby approves the Finance Policy and authorizes the Executive Director to implement the new Finance Policy and develop and approve all necessary internal procedures for the operations of the Finance Department and any revisions to said procedures as updated from time to time.

**Executed this 25<sup>th</sup> day of August, 2015**

**APPROVAL:**

---

**DWAYNE G. BERNAL  
PRESIDENT, BOARD OF COMMISSIONERS**

**DRAFT**

**Housing Authority of New Orleans**



**Department of Finance**

**Finance Policy**

# HANO Finance Policy

**1. General Purpose:** The purpose of this policy is to establish guidelines for developing financial goals and objectives, making financial decisions, reporting the financial status of the Agency, and managing the Agency's funds.

**2. Financial Responsibilities:** It is the responsibility of the Board of Commissioners to formulate financial policies and ensures HANO operates within its mission and goals and has adequate resources on hand to do so. The Board delegates this oversight responsibility to the Executive Director (ED). The ED functions as the primary fiscal agent and ensures financial services are provided, through HANO Finance Department staff or procured financial consultants, to assist HANO in making sound and informed decisions and ensure financial integrity of the Authority. Functions include:

- Cash Management and Investments
- Financial Statements
- Accounting/Payroll/Fixed Assets
- Budgeting
- Internal Controls
- Tax and Tax Credit Reporting
- HUD Reporting
- Financial Administration
- Audits

HANO staff is responsible for periodically updating the finance procedures and internal control documents that achieve the functions as listed above. The ED is granted the authority to approve the changes/updates to the Finance Procedures within generally accepted financial policies, practices, procedures and guidelines.

**3. Governing Regulations and Guidance:** HANO must follow a variety of rules and regulations that are periodically published by the US Department of Housing and Urban Development (HUD). The primary guidance includes, but is not limited to:

- a. 24 CFR part 5 Subpart H Uniform Financial Reporting Standards
- b. Changes in the Financial Management and Reporting for Public Housing Agencies under the New Operating Fund Rule (24 CFR part 990), Supplement to HUD Handbook 7475.1 REV, Chg. 1, Financial management Handbook
- c. OMB Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations and issued compliance supplements
- d. Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) pronouncements

**4. Conflict of Interest:** Members of the Board of Commissioners are prohibited from engaging in activities that might present conflicts of interest. If a Commissioner has a financial interest in a corporate transaction, the Commissioner must fully disclose the interest and abstain from voting. An ethics review must be obtained to resolve any dispute as to whether a conflict exists or not.

**5. Budgeting Process:** HANO prepares and presents an annual operating budget for Board approval before HUD submission.

**6. Finance and Audit Committee:** The Agency's ED shall be responsible for presenting periodic updates related to financial and audit matters to the Finance/Audit Committee. The Finance/Audit Committee shall report out to the Board and recommend board resolutions.

**7. Financial Statements:** HANO Finance staff shall prepare and present Monthly Financial Statements in a format approved by the ED. The statements shall be presented to HANO senior management and other appropriate HANO staff, and upon request, to the Finance/Audit Committee.

**8. Audit:** The Agency will have an audit of its financial statements and A-133 submitted by March 31 of each fiscal year to the State of Louisiana Legislative Auditor and submitted by June 30<sup>th</sup> of each fiscal year to the U.S. Department of Housing and Urban Development (HUD). The audit shall be completed by a firm of Independent Certified Public Accountants. The ED, through appropriate Finance staff, shall have direct responsibility in overseeing the implementation of the Annual Financial and A-133 Audit. The Finance/Audit Committee shall have board oversight. The ED shall recommend a firm to perform the annual audit to the HANO Board for approval after a competitive selection process. HANO staff or the Auditor shall prepare the Form 990 and all required Partnership returns for submission to the IRS.

**9. CONFIDENTIALITY AND RECORDS SECURITY** Financial records are restricted materials with limited access. Only authorized HANO staff (or others so authorized) shall have access to financial records (vendor files, checks, journals, payroll, etc.).

**10. DOCUMENT RETENTION** Financial documents are retained for a period of time in keeping with Federal Regulations, State law and the recommendations of the IRS.

**11. TAX REPORTING** The Agency is exempt from federal income taxes under Section 501 (c) (1) of the Internal Revenue Code as amended. Accordingly, no provisions for income taxes shall be reflected in the financial statements. The Agency's nonprofit entities are exempt from federal taxes under the Section 509 (a) (3) of the internal Revenue Code as amended. As such, the Agency is required to prepare and submit a Form 990 informational return to the IRS for it's Not for Profit Entity(s).



**August 25, 2015**

**MEMORANDUM**

**To: Board of Commissioners  
President Dwayne G. Bernal, Vice President Alice Riener,  
Commissioner Glen Pilié, Commissioner Toni Hackett Antrum, and  
Commissioner Vonda Rice**

**Through: Gregg Fortner  
Executive Director**

**From: Sieglinde Chambliss  
Chief Financial Officer**

**Re: Award of Contract - Remediation and Demolition of 5312 Constance  
Demolition**

---

The property located at 5312 Constance Street is one of over 230 properties that are encompassed by HANO's Scattered Sites Strategy to develop new affordable housing opportunities. Located in the Uptown area of New Orleans, the property is 90 by 120 feet and contains 10 units that have been vacant since 2010. The HUD Special Applications Center has agreed with HANO's assessment that the property is functionally obsolescent and no reasonable program of modification is cost-effective to return the public housing project to useful life. Therefore, HUD approved the demolition of this property in August 2014. The City of New Orleans approval to demolish was received in April 2013.

In accordance with all applicable Federal and State regulations and laws, and in accordance with HANO's procurement policy, Invitation for Bids #15-912-32 was first advertised on Friday, June 26, 2015 and bids were opened on Tuesday, July 28, 2015. HANO received three (3) bids that ranged from \$123,118.00 to \$213,500.00. The project budget range was for the project was \$300,000.00-\$325,000.00. Demolition of these buildings is a critical component of the Scattered Site redevelopment strategy. The contract duration is 75 days.

**CERTIFICATIONS**

- Finance

The Chief Financial Officer has certified that the funds are available to complete the project from Capital Funds (CFP).

- Procurement

The Procurement Manager has certified that this procurement was conducted in accordance with all applicable Federal and State regulations and laws, and in accordance with HANO's procurement policy. The results of the due diligence indicate that the bidder is responsible. Bayou General Contractors, Inc. submitted the lowest, responsive and responsible bid. The procurement memo is in your packet.

- DBE/WBE/Section 3

The Section 3 / MWBE Program Coordinator has reviewed the Section 3 Employment, Training and Contracting Plans submitted by Bayou General Contractors, Inc. and finds them in accordance with HANO's Employment, Training and Contracting Policy. Because the duration of the contract is less than six months, there is no Section 3 training requirement. The plans are in your packet.

HANO requests that the Board of Commissioners approve the award of the contract to Bayou General Contractors, Inc. for the remediation and demolition of 5312 Constance Street in the amount of One Hundred Twenty-Three Thousand One Hundred and Eighteen Dollars (\$123,118.00), pursuant to Invitation for Bids Number 15-912-32.



**HOUSING AUTHORITY OF NEW ORLEANS  
BOARD OF COMMISSIONERS  
REGULAR MEETING  
AUGUST 25, 2015**

**RESOLUTION NO. 2015-16**

**WHEREAS**, the Housing Authority of New Orleans (HANO) seeks to remediate and demolish the remaining 10 units at 5312 Constance Street in the Uptown area of New Orleans; and

**WHEREAS**, the New Orleans City Council approved the demolition in April 2013; and

**WHEREAS**, the HUD Special Applications Center approved the demolition in August 2014; and

**WHEREAS**, the Finance Department has certified there is sufficient funding to provide for the remediation and demolition of the 5312 Constance Street site; and

**WHEREAS**, HANO issued Invitation for Bids (IFB) Number 15-912-32 to procure a contractor to remediate and demolish 5312 Constance Street, which was published in the Times-Picayune on Friday, June 26, 2015, Wednesday, July 1, 2015, and Friday, July 10, 2015; and

**WHEREAS**, responses to the Invitation for Bids (IFB) Number 15-912-32 for the remediation and demolition of 5312 Constance Street were received on Tuesday, July 28, 2015 from three (3) contractors; and

**WHEREAS**, the lowest, responsive, responsible bid was received from Bayou General Contractors, Inc.; and

**WHEREAS**, Bayou General Contractors, Inc. submitted evidence of their commitment to comply with HANO's requirements relative to subcontracting opportunities for DBE/WBE and Section 3 Businesses and hiring opportunities for Section 3 individuals; and

**WHEREAS**, HANO has successfully completed due diligence verification on Bayou General Contractors, Inc., and determined they are responsible; and

**WHEREAS**, it is recommended that approval be given to award a contract to Bayou General Contractors, Inc. in the amount of One Hundred Twenty Three Thousand One Hundred and Eighteen Dollars (\$123,118.00), pursuant to Invitation for Bids Number 15-912-32 for the remediation and demolition of 5312 Constance Street.

**Resolution No. 2015-16**  
**August 25, 2015**  
**Page 2**

**THEREFORE, BE IT RESOLVED**, that the Board of Commissioners of the Housing Authority of New Orleans hereby approves the award of the contract for the remediation and demolition of 5312 Constance Street to Bayou General Contractors, Inc. in the amount of One Hundred Twenty-Three Thousand One Hundred and Eighteen Dollars (\$123,118.00), pursuant to Invitation for Bids Number 15-912-32.

**Executed this 25<sup>th</sup> day of August, 2015**

**APPROVAL:**

---

**DWAYNE G. BERNAL**  
**PRESIDENT, BOARD OF COMMISSIONERS**



## **PROCUREMENT CERTIFICATION**

**Date:** August 25, 2015  
**From:** Audrey Plessy, Procurement Manager  
**Re:** Invitation for Bids # 15-912-32  
Remediation and Demolition of 5312 Constance Street

---

The Housing Authority of New Orleans (HANO) issued an Invitation for Bids (IFB) on Friday, June 26, 2015, for the purpose of procuring a contractor to perform Remediation and Demolition at 5312 Constance Street, pursuant to Invitation for Bids Number 15-912-32.

The bid package was prepared and distributed by the Procurement and Contracts Department. The Invitation for Bids was advertised for a total of thirty-three days (33) days. The advertisement was published in the Times-Picayune on Friday, June 26, 2015, Wednesday, July 1, 2015, and Friday, July 10, 2015, and posted on NOLA.com. Additionally, the solicitation, in its entirety, was posted on the Bid Express website and made available to subscribers electronically for download. On Tuesday, July 28, 2015, three (3) bids were received in response to the solicitation from the following contractors:

<u>Contractor</u>	<u>Base Bid</u>
Bayou General Contractors, Inc.	\$123,118.00
Cross Environmental Services, Inc.	\$179,802.56
Advanced Environmental Consulting, Inc. / Hamp's Construction, LLC, Joint Venture	\$213,500.00

In that Bayou General Contractors, Inc. submitted the lowest, responsive bid, a due diligence review was conducted. The review consisted of a reference verification, whereby references were contacted to respond to questions regarding the previous work performance of the contractor. The List of Parties Excluded from Federal Procurement and Non-Procurement Programs was checked to ensure that the contractor is not debarred from participation in federally funded contracts. Further, the Louisiana Secretary of State and Louisiana Licensing Board of Contractors websites were checked to determine if the contractor is registered and licensed with the State. Results from the due diligence review indicate that the bidder is responsible.

Therefore, I hereby certify that this procurement was conducted in accordance with all applicable Federal and State regulations and laws, and in accordance with HANO's procurement policy. I further certify that Bayou General Contractors, Inc. submitted the lowest, responsive and responsible bid. As such, it is recommended that approval be given to award a contract to Bayou General Contractors, Inc. in the amount of One hundred twenty three thousand one hundred eighteen dollars (\$123,118.00) to perform Remediation and Demolition at 5312 Constance Street, pursuant to Invitation for Bids Number 15-912-32.



### **SECTION 3 MWBE CERTIFICATION**

**Date:** August 25, 2015

**From:** Larry Barabino, Jr. Section 3 MWBE Program Coordinator

**Re:** Invitation for Bids # 15-912-32 Remediation and Demolition of 5312  
Constance Street

---

After reviewing the submitted Section 3 Employment, Training and Contracting Plans, Contracting Schedule and Letters of Intent – Subcontractor Commitment Forms, I find Bayou General Contractors, INC. submitted documentation in line with HANO's policy.