

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
OCTOBER 22, 2013**

RESOLUTION NO. 2013-47

WHEREAS, Section 901 of Public Law No. 109-148, enacted December 30, 2005 authorized Public Housing Authorities in federally declared disaster areas as a result of Hurricanes Katrina and Rita to combine assistance provided by the U.S. Department of Housing and Urban Development (HUD) for Capital Funds, Operating Funds and Housing Choice Vouchers; and

WHEREAS, the Housing Authority of New Orleans (HANO) has established Calendar Year 2008 and 2009 Section 901 Fungibility Plans; and

WHEREAS, in 2011 HUD approved a 901 budget revision pursuant to which HANO provided \$17,757,787 of Calendar Year 2008 901 funding to the Lafitte Redevelopment project for completion of the Phase I and Phase II portion of the site, \$5,200,000 for the Lafitte Senior project, and the remaining \$7,042,213 for the BW Cooper project; and

WHEREAS, to ensure funding was available for the final phases in the event the collateral funds were not returned, HANO also budgeted \$13,500,000 of Calendar Year 2009 901 funds for completion of the Lafitte development Phase I and Phase II portion of the site; and

WHEREAS, HANO staff recommends a further budget revision for Calendar Year 2008 901 funds allocating \$18,312,073 to the Lafitte Phase I and Phase II project, \$561,781 to the Lafitte Senior project, and the remaining \$11,126,146 to the BW Cooper project; and

WHEREAS, HANO staff recommends a further budget revision for Calendar Year 2009 901 funds allocating the entire \$13,500,000 to Lafitte Senior for costs associated with construction; and

WHEREAS, HANO staff recommends realigning the 901 Fungibility Plans to ensure compliance with 901 expenditure deadlines and anticipated financial closings; and

WHEREAS, the Housing Authority of New Orleans is requesting approval to submit revisions to its Calendar Year 2008 and 2009 Fungibility Plans to the Department of Housing and Urban Development (HUD); and

WHEREAS, the Housing Authority of New Orleans certifies that Section 901 flexibility will be used to facilitate the prompt, flexible, and efficient use of the funds to assist families who received housing assistance under the 1937 U. S. Housing Act immediately prior to Hurricane Katrina or Rita and were displaced from their housing due to the hurricanes;

WHEREAS, the Board of Commissioners previously granted approval on November 13, 2012 (Resolution #2012-50) and March 26, 2013 (Resolution#2013-15) for 901 budget revisions that were not submitted to HUD due to changes in project funding needs; and

WHEREAS, Resolution #2013-43 was brought before the Board of Commissioners at the September 17, 2013 meeting to revise the 2008 and 2009 Section 901 plan consistent with this resolution but was laid on the table for the lack of a provision to rescind Resolution # 2012-50 and # 2013-15 and was not recalled before adjournment ; and

WHEREAS, action by the Board of Commissioners to rescind these previous approvals will allow HANO to submit an accurate revision of funding plans for Lafitte and BW Cooper;

BE IT THEREFORE RESOLVED, by the Board of Commissioners of the Housing Authority of New Orleans, as follows:

1. The Board hereby rescinds its prior approvals to submit revisions to the Section 901 Fungibility Plans on November 13, 2012 (Resolution #2012-50) and March 26, 2013 (Resolution #2013-15).
2. The Board hereby approves the 901 budget revisions and authorizes the submission of revisions to the Calendar Year 2008 and 2009 Section 901 Fungibility Plans to HUD.

Executed this 22nd day of October, 2013

APPROVAL:



DAVID GILMORE
ADMINISTRATIVE RECEIVER
CHAIRMAN, BOARD OF COMMISSIONERS



October 22, 2013

MEMORANDUM

**To: David Gilmore
Administrative Receiver
Chairman, Board of Commissioners**

**From: Ron McIntyre
Director of Finance**

**Desiree Andrepont
Director of Real Estate Planning and Development**

Re: Revision of 2008 & 2009 Section 901 Fungibility Plans

Section 901 of Public Law No. 109-148, enacted December 30, 2005 authorized Public Housing Authorities in federally declared disaster areas as a result of Hurricanes Katrina and Rita to combine assistance provided by the U.S. Department of Housing and Urban Development (HUD) for Capital Funds, Operating Funds and Housing Choice Vouchers.

On June 21, 2011 (Resolution #2011-34), the Board of Commissioners authorized the Housing Authority of New Orleans (HANO) to submit a revised 901 spending plan to HUD. This revision amended the Calendar Year 2006, 2007, 2008 and 2009 proposed expenditures to reflect funding needs based on actual and anticipated financial closings for CJ Peete, St. Bernard, BW Cooper, and Lafitte.

On November 13, 2012 (Resolution #2012-50) and March 26, 2013 (Resolution #2013-15), the Board of Commissioners authorized HANO to submit additional 901 spending plan revisions to HUD to reflect anticipated financial closings for BW Cooper and Lafitte. As the timing and terms of closing of BW Cooper Phase 1B changed until its closing in August of 2013, both approved revisions became inaccurate and were not submitted to HUD. Consequently, HANO is currently operating from the spending plan approved by HUD submitted in 2011. Resolution #2013-43 was brought before the Board of Commissioners at the September 17, 2013 meeting to revise the 2008 and 2009 Section 901 plan consistent with this resolution but was laid on the table for the lack of a provision to rescind Resolution # 2012-50 and # 2013-15 and was not recalled

before adjournment. As part of this request, staff is requesting that the Board of Commissioners rescind its approvals for the November 2012 and March 2013 revisions.

Staff is now recommending a new revision to the 901 spending plan for Calendar Year 2008 and 2009. As detailed below, the Calendar Year 2008 allocation will reflect the use of Lafitte funds for the funding swap approved for Lafitte Phases I & II by HUD. Calendar Year 2009 funds will be reallocated to fund the Lafitte Senior phase for the construction of 100 affordable units.

Calendar Year 2008

	Approved revision June 2011	Proposed Changes	Net Change
Lafitte I & II	\$ 17,757,787	\$ 5,681,319	(\$ 12,076,468)
Lafitte I & II Swap	\$ 0	\$ 13,380,000	\$ 13,380,000
Laffite Senior	\$ 5,200,000	\$ 604,787	(\$ 4,595,213)
BW Cooper	\$ 7,042,213	\$ 10,333,894	\$ 3,291,681
TOTAL	\$ 30,000,000	\$ 30,000,000	\$ 0

Calendar Year 2009

	Approved revision June 2011	Proposed Changes	Net Change
Lafitte II	\$ 13,500,000	\$ 0	(\$ 13,500,000)
Laffite Senior	\$ 0	\$ 13,500,000	\$ 13,500,000
TOTAL	\$ 13,500,000	\$ 13,500,000	\$ 0