

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
DECEMBER 17, 2013**

RESOLUTION NO. 2013-57

WHEREAS, Congress passed Consolidated and Further Continuing Appropriations Act, 2013 (PL 113-6), hereafter referred to as "The 2013 Act", enacted March 26, 2013; and

WHEREAS, The 2013 Act Housing Choice Voucher (HCV) Program funding provisions were implemented by Notice PIH 2013-12 that was issued on May 23, 2013; and

WHEREAS, pursuant to the 2013 Act and Notice PIH 2013-12, HANO is prohibited from using HAP funds on units leased that exceeds the Housing Authority of New Orleans (HANO)'s ACC baseline during any calendar year; and,

WHEREAS, according to HANO's Annual Contributions Contract, HANO's 2013 budget baseline was 212,157 units leased; and,

WHEREAS, HANO's projected actual HCV unit months leased for 2013 was 214,379;

THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of New Orleans, to allow HANO to access unrestricted non-federal funding to pay a maximum amount of \$198,000.00 to United States Department of Housing and Urban Development for repayment of housing assistance payments (HAP) funds spent on units leased in excess of HANO's ACC baseline.

Executed this 17th day of December, 2013

APPROVAL:



**DAVID GILMORE
ADMINISTRATIVE RECEIVER
CHAIRMAN, BOARD OF COMMISSIONERS**

WALK-ON ITEM
Resolution 2013-57
December 17, 2013



December 17, 2013

MEMORANDUM

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

**From: Arthur Waller
Director of Housing Choice Voucher Program**

**Re: Repayment of Housing Assistance Payments (HAP) Funds Spent in Excess
of HANO's Annual Contributions Contract (ACC) Baseline for CY 2013**

Funding for the Housing Choice Voucher (HCV) Program is provided by Congress through Annual Appropriation Acts to HUD, which in turn distributes it to PHAs in accordance with the Appropriations Acts. Provisions of the "Consolidated and Further Continuing Appropriations Act, 2013" (PL 113-6), referred to hereafter as "the 2013 Act", established the allocation methodology for calculating housing assistance payments (HAP) renewal funds, new incremental vouchers, and administrative fees.

The 2013 Act requires the United States Department of Housing and Urban Development (HUD) to provide renewal funding based on validated Voucher Management System (VMS) leasing and cost data for the prior calendar year, (January 1, 2012 – December 31, 2012). The amounts appropriated are reduced by the sequestration requirements, and an additional across-the-board rescission of .2%.

The 2013 Act strictly prohibits the use of appropriated HAP funds by any PHA, except for those participating in the Moving-to-Work demonstration, to lease units above their baseline during any calendar year, even if the PHA has sufficient budget authority (BA) and/or net restricted assets (NRA). If a PHA engages in over-leasing, it must identify other sources to pay for the over-leasing, and must also take immediate steps to eliminate any current over-leasing. Renewal funding will not include funding for over-leased units and funding eligibility will be reduced based on the number of over-leased unit months and the average per unit cost (PUC) during the re-benchmarking period.

In January 2013, HANO realized that it may be in an over-leased status and began to take immediate steps to eliminate being over-leased. Activities included the suspension of waiting list activity, new tenant-based voucher issuance, and new voucher lease-ups. Additional activities included the daily monitoring of all program activity which could result in voucher turnover. Those areas were program terminations for program violations and voucher expirations.

After taking steps and modifying program operations to eliminate the possibility of being over-leased, HANO still finds that it over-leased units for calendar year 2013. HANO is obligated to return to the U. S. Department of Housing and Urban Development \$198,000.00 for repayment of HAP funds spent in excess of HANO's ACC Baseline for Calendar Year 2013.