

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
JULY 27, 2015**

RESOLUTION NO. 2015-10

WHEREAS, the Housing Authority of New Orleans (HANO) has prepared its Capital Fund Program (CFP) 5-Year Action Plan for Federal Fiscal Years (FFs) 2015 – 2019 describing capital improvements needed to ensure long-term viability of the Agency's public housing developments; and

WHEREAS, the November 2013 Capital Fund Final Rule "decoupled" the CFP Plan from the PHA Plan and therefore, HANO's CFP Action Plan will be separately transmitted to HUD upon authorization by the HANO Board of Commissioners; and

WHEREAS, HANO's CFP Action Plan contemplates, subject to Congressional Appropriation, approximately \$11.5 million in annual HUD capital grants bringing the total projected 5-year budget to approximately \$57.4 million, and all proposed work items are outlined in the HUD prescribed format in the CFP 5-Year Action Plan document; and

WHEREAS, funding for the Plan is essentially derived from two HUD formula grants: Capital Fund Program (CFP) grants and Replacement Housing Factor (RHF) grants which can only be utilized for redevelopment purposes; and

WHEREAS, as permitted by regulations, HANO has allocated limited portions of its projected CFP and RHF grants for administration, operations, and management improvements with the remaining funds dedicated to capital work items; and

WHEREAS, under HUD's revised formula, RHF grants are being phased-out and replaced with "Demolition and Disposition Transitional Funding (DDTF)" which is added to the CFP grants calculation; and

WHEREAS, due to the addition of DDTF in the CFP grant and a large reduction in RHF grants in FFY 2015, HANO's newly-developed 5-Year Action Plan includes a significant amendment to the prior approved FFY 2015 capital budget, encompassing HANO's continuing commitment of funds for the ongoing redevelopment work at Iberville; and

WHEREAS, the Housing Authority of New Orleans issued public notice and made a draft of the CFP 5-Year Action Plan available for 45-day comment on April 24, 2015; held a consultation meeting with the Resident Advisory Board on May 13, 2015; provided the draft Plan to the City Administration for review and certification on May 21, 2015; held a Stakeholder Workshop on May 27, 2015; conducted a Public Hearing on June 9, 2015; and discussed the Plan at the Development, Asset Management & Operations Committee of the HANO Board of Commissioners on June 16, 2015; and

WHEREAS, the Housing Authority of New Orleans considered comments from the Resident Advisory Board, HANO residents at-large, advocacy organizations, and the general public before finalizing the CFP 5-Year Action Plan;

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THEREFORE, BE IT RESOLVED that the Board of Commissioners hereby adopts HANO's CFP 5-Year Action Plan for FFYs 2015 – 2019 and authorizes its submission with the requisite documents and certifications to HUD.

Executed this 27th day of July, 2015.

APPROVAL:



DWAYNE G. BERNAL
PRESIDENT, BOARD OF COMMISSIONERS



July 27, 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: Shelley Smith
Director, Strategic Planning

Re: Capital Fund Plan Submission

The Housing Authority of New Orleans (HANO) has prepared its Capital Fund Program (CFP) 5-Year Action Plan (Plan) describing capital improvements needed to ensure long-term viability of the HANO's public housing developments. The Plan covers Federal Fiscal Years (FFYs) 2015 – 2019 and will be updated yearly on a rolling basis. The November 2013 Capital Fund Program Final Rule "decoupled" the CFP Plan from the PHA Plan. Therefore, HANO's CFP 5-Year Action Plan will be separately transmitted to the U.S. Department of Housing and Urban Development (HUD). HANO's PHA and CFP Plans, however, were developed under a concurrent preparation schedule and through a combined stakeholder engagement process.

Funding for the Plan is essentially derived from two HUD formula grants: Capital Fund Program (CFP) grants, and Replacement Housing Factor (RHF) grants which can only be utilized for redevelopment purposes. Under the revised formula, RHF grants are being phased-out and replaced with "Demolition and Disposition Transitional Funding (DDTF)" which is added to the CFP grants calculation. As permitted by regulations, HANO allocates limited portions of these grants for administration, operations, and management improvements and the remaining funds are dedicated to capital work items. Budgeted work items for all five years of the CFP Action Plan are outlined in the HUD prescribed format. Project cost estimates are based on HANO's historical cost for similar projects and will be finalized once the Agency engages with Architectural and Engineering firms.

In the spring of this year, HANO received notification of its FFY 2015 capital grant allocations and those amounts, along with anticipated funding formula changes, were used as the basis for the CFP 5-Year Action Plan projections. As captured in the table below, the Action Plan contemplates an average of approximately \$11.5 million annually in capital funding bringing the total projected 5-year budget to approximately \$57.4 million.

Also in the spring, HANO was required to submit an FFY 2015 CFP original budget based on the activities in its prior approved CFP 5-Year Action Plan. Due to the addition of DDTF in the CFP grant and a large reduction in RHF grants in FFY 2015, the newly proposed Action Plan includes a significant amendment to the FFY 2015 capital budget, encompassing HANO's continuing commitment of funds for the ongoing redevelopment work at Iberville. The Plan also allocates funding for Scattered Sites demolition and redevelopment activities and minimal development costs for the Guste III, Lafitte Senior, and Lafitte Homeownership projects.

HANO CAPITAL FUND 5-YEAR ACTION PLAN

PROJECTED FUNDING	FFY 2015 Year 1	FFY 2016 Year 2	FFY 2017 Year 3	FFY 2018 Year 4	FFY 2019 Year 5	TOTALS
CFP	10,997,903	10,396,585	10,530,062	10,726,585	11,046,585	53,697,720
RHF - Tier 1	1,470,989	930,090	104,354	-	-	2,505,433
RHF - Tier 2	1,134,866	33,321	32,960	-	-	1,201,147
TOTALS	13,603,758	11,359,996	10,667,376	10,726,585	11,046,585	57,404,300

*All grant amounts projected in the Plan are subject to Congressional Appropriation.

The need for capital repairs at existing sites where HANO has public housing units far outweighs the projected allocation of capital funding. Thus, the properties owned by HANO and its affiliates were given top priority (e.g. Fischer, Guste, and Scattered Sites) and next-level priority was given to the oldest of the mixed-finance sites (River Gardens and The Estates). Over \$5.4 million is budgeted for these sites within the 5-Year Plan period. In the latter part of the Plan period, \$3.2 million is allocated to B.W. Cooper Phase 2 and \$1.2 million is budgeted for PHA-wide line item for repairs and rehabilitation.

The draft CFP 5-Year Action Plan was posted for the required 45-day public comment on April 24, 2015 and reviewed by the Resident Advisory Board (RAB) at a consultation meeting on May 13, 2015. A report containing HANO's responses to the RAB's recommendations was subsequently prepared and appended to the Plan document. On May 21, 2015, the CFP Plan was transmitted to the City Administration for review and certification of consistency with the Consolidated Plan. An Agency Plans Stakeholder Workshop was held on May 27th and a June 9th Public Hearing was conducted at the end of the 45-day comment period. On June 16th, the CFP Action Plan was presented to the Development, Asset Management & Operations Committee of the HANO Board of Commissioners. All comments were carefully considered before finalizing the Plan.

It is requested that the HANO's Board of Commissioners adopt the HANO CFP 5-Year Action Plan for FFY 2015 – 2019 and provide authorization to submit the Plan and related documents and certifications to HUD.