

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
ANNUAL MEETING
DECEMBER 15, 2015**

RESOLUTION NO. 2015-25

WHEREAS, 24 CFR 982.507(b) requires public housing agencies to make rent reasonableness determinations to ensure that rents paid for dwelling units under the Housing Choice Voucher (HCV) program do not exceed rents paid for comparable, unassisted units; and

WHEREAS, on November 12, 2013, the Housing Authority of New Orleans (HANO) executed contract #13-914-49 with Applied Real Estate Analysis, Inc. (AREA) to analyze the local, unassisted housing market and develop a database and computerized system to retrieve housing data for use in determining rents which action was ratified by the Board of Commissioners by Resolution No. 2013-52; and

WHEREAS, the contract provided for the first year at \$127,936 and included a provision for two one-year extensions at a cost of \$68,954 and \$71,622 respectively; and

WHEREAS, by Amendment No. 1, HANO approved the first one year extension in November of 2014, and by Amendment No. 2 approved the second one year extension, effective November 10, 2015; and


WHEREAS, Resolution No. 2013-52 stated that the contract was for a firm fixed price of \$127,936 which did not consider the annual costs for the two one-year extensions, if exercised; and

WHEREAS, in an effort to clarify the record of the Board of Commissioners and to reflect that the total cost of the contract is \$268,512, it is requested that the Board of Commissioners approve the full contract amount and ratify the actions of the Executive Director in executing Amendment No. 1 and Amendment No. 2 thereto.

THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of New Orleans approves the full contract amount of \$268,512 and ratifies the actions of the Executive Director in executing Amendment No. 1 and Amendment No. 2 thereto.

Executed this 15th day of December, 2015

APPROVAL:



DWAYNE G. BERNAL
PRESIDENT, BOARD OF COMMISSIONERS



December 15, 2015

MEMORANDUM

To: Board of Commissioners
President Dwayne G. Bernal, Vice President Alice Riener,
Commissioner Toni Hackett Antrum, Commissioner Donna Johnigan,
Commissioner Debra Joseph, Commissioner Glen Pilié, Commissioner
Vonda Rice and Commissioner Cantrese Wilson

Through: Gregg Fortner
Executive Director

From: Arthur Waller
Director, Housing Choice Voucher Program

Re: Ratification of Amendments to Contract with Applied Real Estate Analysis,
Inc. (AREA) for Rent Reasonableness and Market Study Software

On September 25, 2013, the Housing Authority of New Orleans (HANO) issued a Request for Proposals (RFP # 13-914-49) for a rent reasonableness market study and software to ensure compliance with HUD requirements under 24 CFR 982.507(b), which states:

Comparability. The PHA must determine whether the rent to owner is a reasonable rent in comparison to rent for other comparable unassisted units. To make this determination, the PHA must consider:

- (1) The location, quality, size, unit type, and age of the contract unit; and
- (2) Any amenities, housing services, maintenance and utilities to be provided by the owner in accordance with the lease.

On November 12, 2013, HANO executed contract #13-914-49 with Applied Real Estate Analysis (AREA) to analyze the local, unassisted housing market and develop a database and computerized system to retrieve housing data for use in determining rents for dwelling units leased under the Housing Choice Voucher (HCV) program. This action was subsequently ratified by the Board of Commissioners by Resolution No. 2013-52.

The initial term of the contract was for a period of one year at \$127,936, and provided for two additional years in one year increments. HANO exercised the second year option at a cost of \$68,954 effective November 12, 2014, and the third year option, effective November 10, 2015, at an additional cost of \$71,622, resulting in a total cost for the three years of \$268,512.

The Board, by Resolution 2013-52, approved the execution of the contract which included the two annual extensions and the annual costs. However, the Resolution stated that the contract had a "firm fixed price" of \$127,936, which did not take into consideration the two annual renewals and the costs thereof. In order to clarify the record and to ensure the Board has all the relevant

information, it is requested that the actions of the Executive Director approving Amendment No. 1 and Amendment No. 2 be ratified by the Board and that the Board approve the additional costs for the two annual extensions of the AREA contract, in the amounts of \$68,954 and \$71,622 respectively.

HANO will initiate a new procurement prior to the end of this contract extension to maintain compliance with rent reasonableness requirements.