

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
JULY 12, 2018**

RESOLUTION NO. 2018-09

WHEREAS, the Housing Authority of New Orleans (HANO) has prepared its Capital Fund Program (CFP) 5-Year Action Plan for Federal Fiscal Years (FFs) 2018 – 2022 describing capital improvements needed to ensure long-term viability of the Agency's public housing developments; and

WHEREAS, the Capital Fund Final Rule decoupled the CFP Plan from the Public Housing Agency (PHA) Plan and therefore, HANO's CFP Action Plan will be separately transmitted to the United States Department of Housing and Urban Development (HUD) upon authorization by the HANO Board of Commissioners; and

WHEREAS, HANO's CFP Action Plan contemplates, subject to Congressional Appropriation, approximately \$52 million in annual HUD capital grants, and all proposed work items are outlined in the HUD-prescribed format in the CFP 5-Year Action Plan document; and

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

WHEREAS, HANO issued a public notice and made the CFP Action Plan available for 45-day comment on April 27, 2018; held a Plan consultation meeting with the Resident Advisory Board on May 16, 2018; and the required "Certification of Consistency with the Consolidated Plan" was executed by the City of New Orleans Office of Community Development on May 16, 2018; and

WHEREAS, HANO conducted a Public Hearing on June 12, 2018; the CFP Action Plan was discussed at the Development, Asset Management & Operations Committee of the HANO Board of Commissioners on June 19, 2018; and all comments were considered before finalizing the CFP Action Plan document;

THEREFORE, BE IT RESOLVED that the Board of Commissioners hereby adopts HANO's CFP 5-Year Action Plan for FFYs 2018 – 2022 and authorizes its submission with the requisite documents to HUD.

Executed this 12th day of July, 2018

APPROVAL:



**ALICE RIENER
PRESIDENT, BOARD OF COMMISSIONERS**



July 12, 2018

MEMORANDUM

**To: Board of Commissioners
President Alice Riener, Vice President Andreanecia M. Morris,
Commissioner Toni Hackett Antrum, Commissioner Donna Johnigan,
Commissioner Debra Joseph, Commissioner Vonda Rice and
Commissioner Cantrese Wilson**

**Through Gregg Fortner
Executive Director**

**From: Jennifer Adams
Director, Development and Modernization**

**Re: Authorization to Submit HANO's Capital Fund Program (CFP) Plan to HUD
FFY 2018-2022**

The Housing Authority of New Orleans (HANO) has prepared its Capital Fund Program (CFP) 5-Year Action Plan describing development initiatives and capital improvements needed to ensure long-term viability of the Agency's public housing developments. The Plan covers Federal Fiscal Years (FFYs) 2018 – 2022 and is updated yearly on a rolling basis. The Capital Fund Program Final Rule decoupled the CFP Plan from the Public Housing Agency (PHA) Plan. Therefore, HANO's CFP 5-Year Action Plan will be separately transmitted to the United States 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 one HUD formula grant, the Capital Fund Program (CFP) grant, which includes Demolition, Disposition, Transition Funds (DDTF). Under HUD's revised capital funding formula, DDTF provides allocation for units recently demolished and CFP provides allocation for standing public housing units. As permitted by regulations, HANO allocates limited portions of these grants for administration (up to 10%), operations (up to 20%), and management improvements (up to 10%) and the remaining funds are dedicated to capital work items, including modernization and development projects. Project cost estimates are based on HANO's historical cost for similar projects and will be finalized once the Agency engages prepares bid packages for individual projects.

When HANO began the planning process, it had not received notification of its FFY 2018 capital grant allocations. Therefore, the basis for the CFP 5-Year Action Plan grant amounts were estimated projections of anticipated funding formula changes. In late May, HANO was notified that the 2018 award will exceed the projection by approximately \$3 million. HANO will continue to submit the plan to HUD for approval and spread the additional funds among the work activities already in this year's plan. Monies are fungible between work activities and plan years unless a significant amendment is triggered. A significant amendment is defined as new demolition,

disposition, homeownership, Capital Fund financing, development, or mixed-finance proposals; or new non-emergency activities that exceed \$3 million.

As captured in the below, the Action Plan contemplates the same level of funding in 2018 and 2019, with a 40% drop in funding projected in year 2020 when the agency's DDTF allocation for the large unit inventory demolished in the decade following Hurricane Katrina is expected to phase out. The total projected 5-year budget is approximately \$52 million.

PROJECTED FUNDING

FFY 2018	\$14,864,637
FFY 2019	\$14,864,636
FFY 2020	\$8,249,730
FFY 2021	\$8,394,555
FFY 2022	\$6,560,000
TOTAL	\$51,933,558

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

The need for capital repairs at HANO's existing public housing sites outweighs the projected capital funding levels. Thus, properties owned by HANO and its affiliates were given initial priority for capital improvements (Fischer, Guste, and occupied Scattered Sites); and next-level priority was given to the oldest of the mixed-finance sites (River Gardens, Columbia Parc, and Lafitte). The CFP Plan also reflects HANO's ongoing commitment to the Iberville Choice Neighborhoods Initiative, to Phase II remediation and redevelopment of B.W. Cooper, and to redevelopment of vacant Scattered Sites. Placeholders were also included in later years for potential homeownership initiatives at The Estates and Lafitte.

All proposed capital work items and activities are outlined within the CFP 5-Year Action Plan in the format prescribed by HUD. The Action Plan was posted for the required 45-day public comment on April 27, 2018 and reviewed by the Resident Advisory Board (RAB) at a consultation meeting on May 16, 2018. Also on May 16, 2018, the required "Certification of Consistency with the Consolidated Plan" was executed by the City's Office of Community Development.

On June 12, 2018, a Public Hearing was conducted at the end of the 45-day comment period, and on June 19, 2018 the Capital Fund 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 Board of Commissioners adopt the HANO CFP 5-Year Action Plan for FFY 2018 – 2022 and provide authorization to submit the Plan and related documents to HUD.