

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
SEPTEMBER 30, 2014**

RESOLUTION NO. 2014-24

WHEREAS, the Housing Authority of New Orleans (HANO) has prepared its draft Capital Fund Program (CFP) 5-Year Action Plan for the period FFY 2014 – FFY 2018 describing capital improvements needed to ensure long-term viability of HANO's public housing developments; and

WHEREAS, under the new Capital Fund Final Rule, the Capital Fund Plan submission is decoupled from the PHA Plan submission 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 \$15 million in annual HUD capital grants bringing the total projected 5-year budget to approximately \$76 million, and all proposed work items are outlined in the HUD prescribed format attached in Appendix I which will be updated yearly on a rolling basis; and

WHEREAS, funding for the Plan is essentially derived from two HUD formula grants: Capital Fund Program (CFP) grants which HANO uses primarily for modernization work including interior/exterior renovations and repairs; 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, HANO's newly-developed CFP 5-Year Action Plan includes a significant amendment to its FFY 2014 capital budget for infrastructure work needed to complete contractual obligations at the St. Bernard/Columbia Parc Development; and

WHEREAS, prior to developing the CFP 5-Year Action Plan, HANO engaged all property managers to collaborate with residents at their respective sites to provide recommendations on necessary property improvements; and information obtained through the process was used by HANO in assessing priorities and formulating the Action Plan; and

WHEREAS, the CFP Plan and associated documentation was posted on HANO's website and made available for review through a series of public notices during the 45-day period July 28 – September 11, 2014; and HANO held a consultation meeting with the Resident Advisory Board (RAB) on July 31, 2014 and conducted a public hearing on September 11, 2014; all comments received through RAB consultation and through written correspondence were carefully considered and are attached in Appendix II; and

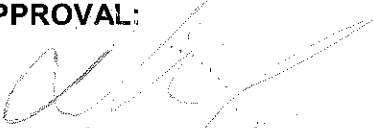
Resolution No. 2014-24
September 30, 2014
Page 2

WHEREAS, the CFP Plan was submitted to City officials for review and certification of consistency with the Consolidated Plan and the required certification was executed on August 13, 2014; and members of the HANO Board of Commissioners, New Orleans City Council, and Housing Advocacy leaders were notified about the CFP Plan and provided with electronic website links to the respective documents

THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of New Orleans adopts the Capital Fund 5-Year Action Plan and authorizes the Executive Director to submit the Plan to HUD along with the requisite CFP documents and related certifications in Appendix III.

Executed this 30th day of September, 2014

APPROVAL:



DWAYNE G. BERNAL
CHAIRMAN, BOARD OF COMMISSIONERS



September 30, 2014

MEMORANDUM

To: Dwayne G. Bernal
Chairman, Board of Commissioners

Through: Gregg Fortner
Executive Director

From: Shelley Smith
Director of Strategic Planning

Re: Capital Fund Plan Submission

HANO has prepared its draft Capital Fund Program (CFP) 5-Year Action Plan describing the capital improvements needed to ensure long-term viability of HANO's public housing developments. The Plan covers the period FFY 2014 – FFY 2018 and will be updated yearly on a rolling basis. Under the new Capital Fund Final Rule, the Capital Fund Plan submission is decoupled from the PHA Plan submission. Therefore, HANO's 5-Year Action Plan will be separately transmitted to HUD.

Budgeted work items for all five years of the CFP Action Plan are outlined in the HUD prescribed format and provided in Appendix I. 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. Funding for the Plan is essentially derived from two HUD formula grants: Capital Fund Program (CFP) grants which HANO uses primarily for modernization work including interior/exterior renovations and repairs; and Replacement Housing Factor (RHF) grants which can only be utilized for redevelopment purposes. As permitted by regulations, HANO allocated limited portions of these grants for administration, operations, and management improvements and the remaining funds are dedicated to capital work items.

This past spring, HANO received notification of its FFY 2014 capital grant allocations and those amounts were used as the basis for the 5-Year Action Plan projections. As captured in the table below, the Action Plan contemplates approximately \$15 million in annual HUD capital grants bringing the total projected 5-year budget to approximately \$76 million. Based on HANO's prior HUD-approved 5-Year Action Plan, the Annual Statements for the FFY 2014 capital grants were also submitted to HUD last Spring. This newly-developed Action Plan, however, includes a significant amendment to the FFY 2014 capital budget for infrastructure work needed to complete contractual obligations at the St. Bernard/Columbia Parc Development.

HANO CAPITAL FUND 5-YEAR ACTION PLAN

PROJECTED FUNDING	FFY 2014 Year 1	FFY 2015 Year 2	FFY 2016 Year 3	FFY 2017 Year 4	FFY 2018 Year 5	TOTALS
CFP	4,817,901	5,000,000	5,000,000	5,000,000	5,000,000	24,817,901
RHF - Tier 1	7,689,188	7,689,188	7,689,188	7,689,188	7,689,188	38,445,940
RHF - Tier 2	2,614,286	2,614,286	2,614,286	2,614,286	2,614,286	13,071,430
TOTALS	15,121,375	15,303,474	15,303,474	15,303,474	15,303,474	76,335,271

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). Funding was budgeted for these sites in each of the five plan years. Additionally, in the coming months, HANO will undertake a HUD-required Physical Needs Assessment to pinpoint more specific needs. A total of \$1.8 million was allocated to this general line item over the 5-year period and will be spread among the projects as needs and priorities become more defined by the Physical Needs Assessment.

RHF funding is allocated in the initial three Plan years to the Iberville redevelopment, where HANO is responsible for providing 416 public housing units as obligated by the Choice Neighborhoods Initiative. As mentioned above, RHF funds are also allocated to the St. Bernard/Columbia Parc project to complete infrastructure contractual obligations. In the final two years of the Plan, RHF grant funds have been allocated to the redevelopment of B.W. Cooper/Marrero Commons Phase 2. Marrero Commons Phase 1 is now nearing completion and the original Cooper units will be demolished within the upcoming year.

Prior to developing the CFP 5-Year Action Plan, HANO asked all property managers to collaborate with residents at their respective sites and provide recommendations on necessary property improvements. They were also asked to categorize needs into four priorities: 1) health and safety, 2) REAC deficiencies, 3) scheduled replacements, and 4) additional capital improvements. The information obtained through this process was used in assessing priorities and formulating the Action Plan.

Through a series of public notices, HANO invited residents and community stakeholders to review the Capital Fund submission during the 45-day period July 28 – September 11, 2014. The Capital Fund submission was posted on HANO's website and made available for review and comment at HANO's central offices and site management offices. A Resident Advisory Board (RAB) consultation was held on July 31st and staff subsequently prepared a Report comprised of RAB recommendations and HANO responses.

On August 5, 2014, the Capital Fund Plan documents were submitted to City officials for review and Certification of Consistency with the Consolidated Plan and the required Certification was executed on August 13, 2014. Members of the HANO Board of Commissioners, New Orleans City Council, and Housing Advocacy leaders were notified about the Capital Fund Plan and

provided with electronic website links to the respective documents. A public hearing was held on September 11, 2014 and no comments were received. All comments received through RAB consultation and through written correspondence were carefully considered and are provided in Appendix II.

It is requested that the HANO Board of Commissioners adopt the revised FFY 2014 CFP Annual Statements and the CFP 5-Year Action Plan for FFY 2014 – 2018 and authorize the Executive Director to transmit to HUD the CFP submission and the related certifications provided in Appendix III.