

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
JULY 12, 2017**

RESOLUTION NO. 2017-11

WHEREAS, the Housing Authority of New Orleans (HANO) has prepared its Capital Fund Program (CFP) 5-Year Action Plan for Federal Fiscal Years (FFs) 2017 – 2021 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 \$11.0 million in annual HUD capital grants bringing the total projected 5-year budget to approximately \$55.5 million, 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 and RHF grants 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 21, 2017; held a Plan consultation meeting with the Resident Advisory Board on May 10, 2017; and the required "Certification of Consistency with the Consolidated Plan" was executed by the City of New Orleans Office of Community Development on May 31, 2017; and

WHEREAS, HANO conducted a Public Hearing on June 6, 2017; the CFP Action Plan was discussed at the Development, Asset Management & Operations Committee of the HANO Board of Commissioners on June 12, 2017; 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 2017 – 2021 and authorizes its submission with the requisite documents to HUD.

Executed this 12th day of July, 2017

APPROVAL:



**ALICE RIENER
PRESIDENT, BOARD OF COMMISSIONERS**



July 12, 2017

MEMORANDUM

To: Board of Commissioners
President Alice Riener, Vice President Andreanecia M. Morris,
Commissioner Toni Hackett Antrum, Commissioner Dwayne G. Bernal,
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 2017-2021

The Housing Authority of New Orleans (HANO) has prepared its Capital Fund Program (CFP) 5-Year Action Plan describing capital improvements needed to ensure long-term viability of the Agency's public housing developments. The Plan covers Federal Fiscal Years (FFYs) 2017 – 2021 and will be 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 two HUD formula grants: Capital Fund Program (CFP) grants and Replacement Housing Factor (RHF) grants, which can only be utilized for redevelopment purposes. Under HUD's revised capital funding 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. 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.

When HANO began the planning process, it had not received notification of its FFY 2017 capital grant allocations; therefore, the basis for the CFP 5-Year Action Plan grant amounts were estimated projections of anticipated funding formula changes. As captured in the table below, the Action Plan contemplates an average of approximately \$11.0 million annually in capital funding bringing the total projected 5-year budget to approximately \$55.5 million.

HANO CAPITAL FUND 5-YEAR ACTION PLAN						
PROJECTED FUNDING	FFY 2017 Year 1	FFY 2018 Year 2	FFY 2019 Year 3	FFY 2020 Year 4	FFY 2021 Year 5	TOTALS
CFP RHF - Increment	11,355,063	11,001,585	11,046,215	11,000,000	11,000,000	55,403,233
1	104,354	-	-	-	-	104,354
RHF – Increment 2	32,960	-	-	-	-	32,960
TOTALS	11,492,377	11,001,585	11,046,215	11,000,000	11,000,000	55,540,547

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

The need for capital repairs at HANO's existing public housing sites far 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 (The Estates and River Gardens). 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.

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 21, 2017 and reviewed by the Resident Advisory Board (RAB) at a consultation meeting on May 10, 2017. On May 31, 2017, the required "Certification of Consistency with the Consolidated Plan" was executed by the City's Office of Community Development.

On June 6, 2017, a Public Hearing was conducted at the end of the 45-day comment period, and on June 12, 2017 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.

On June 30, 2017, HANO received notification of its FFY 2017 allocation in the amount of \$13,107,345. Prior to submittal of the CFP Plan, the amount by which the 2017 actual allocation exceeds the projected funding will be spread among the work activities already identified in Plan.

It is requested that the HANO Board of Commissioners adopt the HANO CFP 5-Year Action Plan for FFY 2017 – 2021 and provide authorization to submit the Plan and related documents to HUD.