



Then and Now

THE FINAL REPORT ON THE OPERATIONAL ASSESSMENT OF THE HOUSING AUTHORITY OF NEW ORLEANS

Presented to:

The U.S. Department of Housing and Urban Development
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Housing



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HANO
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“THE BEST WAY TO FIND YOURSELF IS TO LOSE YOURSELF IN THE SERVICE OF OTHERS”

- MAHATMA GANDHI

INTRODUCTION

Times have changed at the Housing Authority of the City of New Orleans. After many years of restoration, HANO is now ready to be reconnected to its city, to be governed, managed, and serve the community in a manner the city decides. Having been engaged in managing the recovery of a number of public programs over the years one just knows intuitively when the recovery has been accomplished. For HANO, that moment actually occurred sometime ago and the agency has been getting steadily stronger since.

Where once HANO could not account for its money and was thought by some to be ripe for the picking, it can now account for every dime of its fiscal resources and has adopted a set of fiscal controls that makes theft virtually impossible.

Where once HANO could not account for its Housing Choice Voucher Program units and was significantly underutilizing its allocations, it is now 100% utilized. In fact, HANO can boast that it provides housing assistance to 4500 more families than at the beginning of this receivership.

Where once HANO could not inspect its HCVP units as required or pay its landlords in a consistent and accurate manner, it now does so in a manner fully consistent with the best practices in the industry.

And most importantly, where once the staff and residents of HANO felt little or no pride in the organization they now participate in the creation of new communities, resident-owned businesses, job training programs and educational opportunities with renewed energy and purpose. Hope has replaced despair, confidence has replaced uncertainty, and commitment has overcome lethargy. We have witnessed a restoration of a human spirit. Times have indeed changed.

There are many more accomplishments that, collectively, attest to HANO's recovery and return to consistent, competence and stability. They will be self-evident as this report is reviewed. Instead of citing them here I'll use the rest of my limited space to acknowledge some key people, without whom these accomplishments would have been impossible to achieve. Leslie Dews and Keith Pettigrew relocated to New Orleans for this assignment to oversee the administrative and operational aspects of the recovery. They have been my right and left hands and their skills and intelligence are unmatched. Kenisha Ross similarly left family and another life to come to New Orleans and run the executive office with distinction and loyalty.

Special recognition is due to the resident leaders of HANO. These amazing women I have worked with have been as intelligent and committed to the successful recovery as any group of leaders I have encountered anywhere in this country. If you let them get close enough, they help guide you in the right direction without requiring that you agree on everything. They only require access and truthfulness in exchange for support and loyalty.

I acknowledge the support and guidance of Secretary Donovan, Assistant Secretary Henriquez and the many HUD senior staff who have assisted us. Finally, this report cannot be adequately concluded without acknowledging the 262 employees and superior leadership team we assembled that will be quite capable of not only sustaining the recovery but leading this organization to even greater heights in the future.

Like the last THEN AND NOW, this one is based upon the results of the early highly critical assessment we performed at HANO at the beginning of this receivership. The entire report is worthy of careful review as recognition of the mistakes of the past is prerequisite to avoiding them in the future. The final section of the report identifies important initiatives that could not be fully completed before the final buzzer. They are worthy, in my opinion, of pursuit to conclusion by the incoming leadership.

In commenting on the nature of service Gandhi pointed out the distinction in value between service that is rendered in a joyful spirit and that which is not. It has been an unqualified joy to have served the City of New Orleans as the leader of its recovering housing authority. From wherever we are, the members of the Gilmore Kean team will wish you well and will be cheering for your continued success. We are honored and grateful to have been among you these last few years. God speed.



David Gilmore
Administrative Receiver



Patrick Kean, Principal
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ORGANIZATION, STAFFING AND HUMAN RESOURCES**THEN:**

At the start of the Administrative Receivership, Gilmore Kean found an organizational structure at HANO that on the surface was adequate. However, once the Assessment measured the effectiveness of each department, the failure of this organization became evident. Indicators of failure at the time of the Assessment included: the number of key staff positions that were vacant or filled by contractors; compensation and benefits packages that were out of step with comparable agencies, resulting in significant staff turnover; and the absence of an ethics program, which contributed to the well-documented fraudulent use of resources intended for low-income families, to name just a few. Prior to the Administrative Receivership, HANO lacked a position control system, which is the foundation of oversight of personnel operations by tracking positions that are created, filled, vacant, or abolished. Prior to Gilmore Kean's tenure, the Human Resources Department did not play a central or consistent role in hiring of HANO staff. In many instances, efforts were made to intentionally circumvent the HR department. HANO previously expected its employees to learn on-the-job and did not provide opportunities for employees to develop skills required for anything beyond basic job functions. Likewise, no preparation was made for advancing employees through a logical career progression.

NOW:

The primary focus of Gilmore Kean's effort has been to design and implement an organizational structure that best supports HANO's strategic initiatives, one that promotes functional interaction and reporting relationships for higher levels of efficiency. The Gilmore Kean team quickly set about to establish departmental organizational structures to achieve functional accountability, define efficient/adequate staffing patterns, identify and fill critical vacancies and phase out contractors. The Human Resources Department has continued to give priority to recruitment efforts. One particular area where capacity was built is the Real Estate Planning and Development Department, where high-caliber candidates were recruited for the positions of Director and Redevelopment Project Manager. The Housing Choice Voucher Program also complemented its staff with a Program Manager, and a Family Self Sufficiency Coordinator was hired for the Client Services Department. The Section 3 Coordinator, Contract Administrator, and the Compliance Specialist positions were also filled during this period. In addition, HANO has established and filled the position of Chief Internal Compliance Officer.

The Human Resources Department (HRD) conducted a skills assessment of staff to determine job competencies for positions that were encumbered and placed individuals in positions only for which they qualified. The results of this exercise were discussed with managers and decisions were made to replace individuals whose knowledge, skills and ability did not meet the job competence level. Employees who were removed through this assessment were either placed in another position for which they were qualified or they were separated.

In order to ensure that employees know and understand what is expected in terms of their job duties and responsibilities, HRD has worked closely with managers and employees to revise all position descriptions to accurately document assigned duties and responsibilities. Job and behavioral competencies were also included in the revised position descriptions.

A significant challenge that had to be addressed before undertaking a large-scale hiring effort was reworking the flawed, and seemingly arbitrary, compensation system. HANO conducted a comprehensive compensation and classification review to establish a competitive compensation system, address internal salary inequities, establish a compensation philosophy; and designed pay structures to facilitate fair and equitable salary and wage determinations. Pay schedules now include a step system, which allows for more transparency, consistency and fairness in wage and salary administration. The process included position audits to ensure that duties and responsibilities are accurately described and appropriately recorded, administration of the Position Description Questionnaire (PDQ), interviews with employees, supervisor validation and work product review. Based on the results of this review, salary inequities were addressed and structured pay plans were implemented.

A new Performance Management System has been designed and implemented. The first step in the process is the Annual Performance Plan, which begins the formal performance dialogue between the supervisor and the employee as they collaborate on performance goals for the performance period. Other components of the system include continuous informal feedback, a mid-year review, self-assessment and a final annual review at the end of the performance period.

HANO also developed a wide-ranging, structured employee recognition program, including components such as employee of the month, quarterly customer service awards based on the new culture of the organization, and leadership awards.

With the important role Human Resources was to play in the Recovery Plan for the entire organization, it was essential to focus immediately on building the capacity of this department. The Gilmore Kean team has filled key positions in this department. As evidenced by the accomplishments outlined in the rest of this section, the Human Resources function is operating at the highest level, and is key to organizational improvements realized since the publishing of the Assessment.

Given the high profile ethical and criminal allegations against various former HANO officials, the impact of the absence of ethics education and training is clear and well documented. The Human Resources Department established the role of Ethics Officer with systems of communicating HANO's commitment to Standards of Ethical Conduct internally and externally. HRD also redesigned the employee orientation program to include an extended component on ethical conduct. HRD also worked closely with HANO's new Office of Internal Compliance to develop mandatory ethics training for all staff. The training was conducted by the Office of Internal Compliance with assistance from the Office of the General Counsel and HRD staff.

Recognizing that the organizational and staffing needs of HANO are vastly different from those of other public housing authorities in Louisiana, the Administrative Receivership team advocated for and received a permanent legislative exemption for HANO from the state Civil Service system. This exemption will allow HANO the flexibility it requires in maintaining a strong, well-qualified staffing contingent.

In the absence of Civil Service rules and any collective bargaining agreements, HANO's personnel practices have operated mainly under the rules outlined in its Personnel Manual. The Personnel Manual serves as an important communication tool between the Agency and the employees. It sets forth expectations for the employees and describes what the employees should expect from the Agency. A comprehensive review and revision of HANO's Personnel Manual was conducted, ensuring human resources practices are now in compliance with new and revised regulations. In addition, the Personnel Manual is being updated frequently as changes in state and federal laws and internal policies take effect.

All hiring is now conducted by the Human Resources Department. Having completed several related tasks, including ensuring that job descriptions include appropriate qualifications and capabilities statements and clearly articulate the requirements of the individual job, HANO now continues to approach hiring in a consistent manner across the agency. Recruitment efforts are married with retention efforts. To this end, HRD developed a comprehensive employee retention plan to attract and retain quality professionals. The retention plan includes a salary survey to create a market-driven pay structure to attract and retain employees, functional training to keep employees abreast of developments in their functional areas of operation, information technology enhancements to foster greater productivity, efficiency, and improved workflow in operations, enhanced roles for employees such as attaining authorization for full police powers for HANO's police department, and a benefits survey to determine the level employee satisfaction with the benefits provided by the organization. In addition to administering the benefits survey, the agency acquired a benefits consultant to assist in the procurement of employee benefits.

Under the Administrative Receivership, there has been a coordinated effort to build the capacity of HANO staff in a graduated process, either to better succeed at their current position or to be ready to make career advancements within the organization. A comprehensive training needs assessment was conducted and training programs have been implemented.

The HR Records Management System was revised to ensure employment records are maintained in an appropriate manner on all employees and are in compliance with regulations. The new system provides for efficiently maintaining complete, accurate and relevant records.

FINANCE

THEN:

At the time the Administrative Receivership team took control of HANO in November 2009, the Finance Department was in a state of chaos. The FY2009 accounting records were not complete and were held in multiple computer applications that were incapable of communicating with each other; the FY2010 Budgets were not complete. The implementation of HANO's enterprise software at the time was incomplete and flawed, with some areas impacting the ability to process invoices for payment. HANO was in complete disarray from an accounting prospective as well as a program prospective.

Almost all invoice payments were late, including payments to vendors for operations, modernization activities and development projects and proper due diligence was not being performed on invoice payments.

The HCV program had accumulated excess net restricted assets and maintained low leasing levels. Additionally, HANO had not adopted Asset Management accounting principles until FY2010. In prior years, although HANO coded invoices to different projects or central office areas, the information in the computer databases could not be distributed in a manner to separate Central Office costs from Low Income Public Housing. Therefore all costs that would be considered Central Office costs were combined with Low Income Public Housing transactions. As a result, HANO may not have been able to diagnose its operating expenses appropriately to compare the budget to asset based Project Expense Levels (PELs).

Monthly HAP payments were often late, and payments were made over the course of the entire month in small, inconsistent batches. There were no reconciliations of HAP Payments to vouchers being performed despite the fact that the HAP payment run did not match the amounts to be paid according to the voucher reports sent over by the HCVP Department.

HANO failed to collect large equity payments and failed to complete compliance reviews on various projects, resulting in pending defaults from investors. HANO had not tracked its financial commitments so it was unable to determine whether it had adequate funding. Many entities were requesting/demanding funds from HANO for various matters that were not considered in any HANO spending plan.

It was difficult to determine HANO's true cash position because HANO did not pay bills on time nor did it consistently pay bills with the originally planned source of funds. HANO also did not draw down funds from HUD consistently, sometimes drawing down before the invoice was paid, sometimes after the invoice was paid and sometimes only after a staff member realized that the drawdown had not been done. At that time, HANO had a commitment of over \$16 million of Operating Funds to the 2006 901 Program. At least \$5 million was expected to come from the Modernization account, although with multiple transactions and inter-fund transfers, it was difficult to determine if the Modernization bank account has enough funds to cover the 901 commitment. With continuing operating losses, it appeared that HANO would not have

enough cash set aside for emergencies and that it could eventually find itself in default on vendor commitments or be unable to obtain key goods and services needed to run the properties and maintain the Central Office. HANO's cash available for operating expenses was masked since all 901 funding commitments were not moved to the 901 bank accounts as the HCVP 901 funding commitments were.

HANO routinely had to disburse more cash than initially planned, yet there were no financial contingencies or reserves set up to fund these items. This perpetuated the cycle of constant funding source changes, which increased the complexity of planning and tracking the Development Program in particular.

NOW:

The Housing Authority of New Orleans has made significant progress in managing the financial resources of the Agency and restoring public confidence in HANO's capacity to safeguard its assets. For the third consecutive year, the Agency submitted its financial audit to the State of Louisiana Legislative Auditor on time. HANO also produced a balanced budget for the past four years, each year ending with a slight surplus. Policies and procedures governing core financial activities were developed and implemented; vendors are being paid on time; and strong fiscal controls were put in place to ensure the appropriate segregation of duties to mitigate fraud, waste, and abuse. The Finance Department has undergone considerable restructuring and is now staffed with experienced, competent professionals. HANO has also improved its accounting procedures and financial reporting. A new financial management system was implemented enabling HANO to produce system-generated monthly financial statements including budget-to-actual reports for its 43 Asset Management Projects (AMPs) and 16 programs, all of which is critical for prudent financial management and decision-making.

An early and significant accomplishment of the Administrative Receiver was the development of a comprehensive annual operating budget reflective of the true financial commitments of the organization. Finance management and staff worked closely with program managers to plan and reserve funding for major projects and initiatives planned by the administration to support operations and program initiatives for the upcoming fiscal year. Simultaneous to the budget process, finance staff, program managers and procurement staff participated in the procurement planning process. Participation among various staff ensured that managers could gauge workload and financial requirements for non-personnel services. HANO also eliminated the need to use multiple computer applications for financial management by implementing a new financial management system to integrate all financial activities of the agency. HANO now has the ability to produce income statements, balance sheets, budget-to-actual comparisons, depreciation schedules and consolidated financial statements.

The HCV program is now utilizing its net restricted assets and is continuously engaged in tracking to maintain leasing at 100% utilization. Furthermore, the VMS is being submitted timely and accurately. The Finance Department has achieved tremendous accomplishments to coordinate efforts with the HCV program to accomplish this task. Additionally, through this cooperative effort, landlords have regained the confidence to participate in the Housing Choice

Voucher Program.

HANO was able to reengineer its business model to comply with not only GAAP and GASB requirements, but HUD's Asset Management requirements as well. This included training at all levels, a new cost allocation plan and a new financial accounting and reporting process to analyze activity at the AMP and program level.

The Finance Department now has a documented comprehensive monthly and annual closing schedule and process that allows for the production of financial statements by AMP while incorporating information necessary for REAC and MASS reporting and other requirements of HUD and the state. As a result, HANO successfully presented its REAC financial submission on time to HUD for the first time in many years.

Although the Finance Department has made considerable progress in improving the financial operation of the agency, given the financial position of HANO, the department must continue its efforts to enhance revenue and decrease costs to ensure HANO's long-term financial viability. As reported previously, the Finance Department has significantly reduced its reliance on consultants and temporary staff, which resulted in cost savings of approximately \$4 million.

Further, with the implementation of a budget compliant with asset management requirements, HANO has been able to allocate revenues and expenses to each site, which allows for more detailed analysis of and accountability for revenue and expenditure patterns. Managers now have access to individual budgets in order to make decisions and are held accountable for ensuring fiscal responsibility for their site/program. The implementation of the asset management model also allowed HANO to allocate staff salaries to individual sites/programs, which decreases expenses to the central office cost center (COCC) and maximizes revenue to the COCC to support operations such as legal expenses, utilities, supplies, and other central office costs. During the annual procurement process, HANO also examines all existing contracts and identifies opportunities for cost reduction. For example, HANO identified considerable cost reductions for consulting in the development area (approximately \$400,000), and has taken advantage of discounts via GSA and cooperative agreements offered by the state. All new contracts undergo financial review by the finance department and all contractor invoices are reviewed and approved by the finance department. The Finance Department is consistently exploring revenue enhancement opportunities for the agency.

In Fiscal Years 2007-2009, HANO Public Housing (including the Central Office area) incurred operating expenses in excess of operating revenue. For Fiscal Years 2010-2013, HANO realized a small surplus.

To address longstanding operating losses and ensure efficient and cost-effective operations, Gilmore Kean revamped the organizational structure and staffing of the agency by identifying appropriate staffing levels and mix in each department, with the primary focus on building in-house capacity and reducing reliance on consultants, particularly in the area of finance. The reduction in consulting services in the finance area and has yielded a net savings for the agency

of approximately \$2.2 million. Further, we implemented a new budget development process and produced realistic, balanced budgets over all operations for fiscal years 2010 through 2013.

HANO is no longer accumulating operating losses. HANO also implemented a more stringent contract administration protocol to ensure all contracts, particularly those for professional services, were monitored more closely by accountable contract monitors assigned by the Administrative Receiver. These efforts also produced cost savings in the amount of \$600,000 between FY 2010 and FY 2011.

Under the current Administrative Receiver, all 82 bank accounts for the agency were fully reconciled and an analysis of all outstanding commitments by program was conducted. HANO's Finance Department was able to determine the true cash position of the agency for the first time in many years. Additionally, the Receiver approved new finance policies and procedures with a commitment to pay vendors within the established 30-day pay standard set forth in the policy. The Finance Department also reconciled the 901 funds to ensure all dollars were accounted for and expenditures classified appropriately. HANO then submitted a revision to HUD to reduce the \$16 million of Operating Funds committed to the 2006 901 funds to ensure the agency is in a position to fund agency commitments and maintain the Central Office.

Since many of the mixed finance developments that were completed and occupied had previously appealed to HANO for additional funding for their properties, Gilmore Kean reviewed regulatory and operating agreements and other management agreements with third party vendors and conducted a detailed financial analysis of each property to determine if there were any outstanding obligations due to them and to identify subsidy and other funding obligations going forward. As a result of these activities, HANO has settled all outstanding funding issues at the individual properties, required sites to build budgets based on realistic funding projections, and replaced a management company at a troubled site to ensure more compliant, cost-effective operations. Finance and Real Estate Planning and Development managers continue to work closely with the Administrative Receiver to identify both strategy and funding sources for all redevelopment initiatives. HANO conducted a reconciliation of all development activities and corresponding funding sources to ensure all current development initiatives were fully funded and fund accounts fully reconciled.

Under the current Administrative Receiver, HANO Finance Department fully tracks all financial activities of the Housing Choice Voucher Program, reconciled all VMS data and is meeting monthly reporting requirements with timely and accurate financial data for the program. In addition, procedures over the HAP payment process were implemented to ensure reconciliation of the HAP account prior to release of funds. Net Restricted Assets and available cash are reconciled monthly.

Organizationally, the Finance Department has maintained efforts to recruit and retain qualified accountants and finance personnel. In prior years, staff did not have the appropriate skill set or experience to perform core accounting and finance functions such as bank reconciliations, general accounting, year-end closing, and budget development and preparation. To date, the department staff consists of a highly qualified Chief Financial Officer, certified public

accountants, staff with advanced degrees, and other staff with significant, relevant work experience. The finance staff has been trained on the new systems and policies and procedures of the department. HANO has reduced its expenditures on consultants within the Finance Department from \$3.8 million to nearly \$0. Key accomplishments resulting from a more qualified staff and other organizational improvements include:

- Successful conversion to the asset management model of accounting and reporting. Again this requirement had not been met in prior years and was subject of repeated financial audit findings.
- Completion of the year-end financial close in accordance with HUD requirements.
- Successful implementation of a new financial management system to enhance the efficiency and effectiveness of financial management and reporting, a feat that could not be accomplished without qualified staff given HANO's aggressive implementation schedule.
- Development of a comprehensive annual operating budget reflective of true financial commitments of the organization.
- Performance of core finance functions consistent with HANO's finance and accounting policies and procedures such as timely performance of bank reconciliations, recording of financial information accurately and completely, and adherence to the vendor payment schedule.

In August 2011, HANO implemented the Enterprise One system as the new financial management system of record for the organization. The new system was an essential component in establishing management systems to accurately record and report financial data in a timely manner. The implementation of the new system resulted in the following benefits:

- Adequate Internal Controls — system controls have been set up to ensure appropriate segregation of duties, thereby mitigating opportunities for malfeasance, fraud, and mismanagement.
- Comprehensive Financial Reporting – HANO now has the ability to produce income statements, balance sheets, budget- to- actual comparisons, depreciation schedules and consolidated financial statements. Each of these reports is critical for prudent financial management and decision-making.
- Asset Management Reporting – HANO is now operating full scale in the Asset Management Module reporting function for all entities. Each HANO entity is self-supported and reported as required by the Department of Housing and Urban Development.

- Real Time Accounts Payable Reporting – HANO can view aging information and generate reports to ensure commitment to paying vendors on time is realized.
- Efficiency in Operations – the functionality of the system has allowed for the elimination of many time consuming manual processes. Accountants no longer have to use spreadsheets to perform account reconciliations and to produce financial reports and bank reconciliations are now performed in the system.
- Year-End Closing – HANO has developed a comprehensive monthly and year end closing schedule that will allow for the production of financial statements by AMP while incorporating information necessary for REAC and MASS reporting.
- Data Integrity – System enhancements allow several layers of review and approval in an effort to reject erroneous invoices, inaccurate journal entries, and duplication of payment applications and to address many other longstanding issues that have plagued the organization.

While HANO is still in the process of building cash reserves which were depleted by past management practices, for the past three fiscal years, HANO has developed balanced budgets and is no longer disbursing more cash than is received.

AUDIT AND COMPLIANCE**THEN:**

Some of the more egregious failures of HANO prior to the arrival of Gilmore Kean, and those most widely reported – a former staff member who pled guilty to leading an effort to direct more than \$700,000 to unauthorized vendors, and a former consultant who was convicted of misappropriating more than \$900,000 from HANO – can be traced, at least in significant part, to the absence of an internal audit function during that time. While there had been an audit and compliance unit prior to Hurricane Katrina, it was disbanded following the hurricane. At that time, the only compliance work within HANO was being performed by the Contracting and Compliance Department and was primarily related to Section 3 compliance. Prior to the start of the current receivership, the HUD OIG reported that responsiveness of the agency to requests related to audits and investigations was not adequate. Gilmore Kean received similar feedback from independent auditors and consultants.

NOW:

Considering the audit and compliance function at HANO as essential to rebuilding the public trust in the financial integrity of the agency, the Administrative Receiver, in October 2010, established the Office of Internal Compliance (OIC) to coordinate and perform all internal audit and compliance activities of HANO. As a result, many of the activities associated with rebuilding public trust and confidence in HANO's financial integrity have been transferred to the OIC. The Finance Department works collaboratively with OIC in achieving many of the stated objectives. The development of a long-range audit plan is an important task in restoring public confidence and ensuring internal controls are sufficient to protect HANO assets.

HANO has submitted its annual financial audit to the Louisiana Legislative Auditor in accordance with statutory requirements for three consecutive years. Likewise, HANO has timely filed its federal audit report for three consecutive years. REAC Reports, both audited and unaudited have been timely filed for the past two consecutive years. In addition, HANO has completed four ARRA audits and three DHAP audits.

One of the first tasks of the Chief Internal Compliance Officer (CICO) was to develop the long-range audit plan, which was completed in May 2011. This document identifies the internal audits, reviews, and examinations of HANO operations that are conducted by the OIC annually. The document further identifies areas of risk by department and the corresponding review/audits to be undertaken and their frequency. Because Finance is considered a high-risk area, many of the reviews identified in the plan are conducted in the financial arena such as capital fund, accounts payable, fixed assets, accounts receivable, petty cash, and general accounting.

In addition, the CICO developed policies and procedures for conducting internal audit and compliance reviews. The long-range audit plan coupled with the policies and procedures established the structure for all internal audit and compliance activities. This included updating

Board policies and procedures to comply with changing regulations, the development of work flows to document controls, establishing an annual review of all policies to ensure consistency with changing regulations and current systems, ensuring policies and procedures exist for compliance review, developing a work plan to review compliance with financial policies and procedures, and performing compliance reviews. Board-approved policies and procedures have been adopted in both the finance (accounts payable, accounts receivable, fixed assets, general accounting) and procurement areas. Procedures contain internal controls to mitigate fraud, waste, and abuse.

A new Enterprise Resource Planning system has been implemented including financial management and procurement modules. The new system has appropriate controls to ensure a segregation of duties and other internal controls to safeguard the assets of the organization.

The CICO assisted HUD in successfully closing out all of the long-standing HUD IG audit findings that were outstanding at the beginning of Gilmore Kean's tenure.

Additionally, HANO implemented an electronic database used by the CICO to monitor progress in closing out internal and external audit findings. The CICO is able to assign responsibility for corrective action to a particular program director, establish a deadline for completion, review and return for comment any issues with actions reported by program directors, and attach documentation to demonstrate closing of an audit finding.

HOUSING CHOICE VOUCHER PROGRAM

THEN:

At the start of the Administrative Receivership, the Housing Choice Voucher Program (HCVP) lacked oversight and management. More than any other department, HCVP had both an overreliance on contractors and a significant number of vacant positions. Of the total 119 budgeted positions at that time, 66 were filled by HANO employees, 22 by employees of a third-party vendor, 16 by independent contractors (HQS inspectors), and 15 were vacant. At the time of the Operational Assessment in February 2010, oversight and management of the HCV program was contracted out to a third party contractor.

As outlined in the findings below, HCVP lacked the capacity to perform its most basic functions, resulting in extreme dissatisfaction by both clients and landlords. As noted under Human Resources, many of the employees lacked job descriptions. It was clear that staff required significant training in order to improve their ability to conform to HCV regulatory requirements. Further, the organizational structure needed to be revised in order to sharpen the focus on key programmatic areas, improve accountability and implement effective quality control and performance standards.

The findings contained in the Assessment reflected the absence of basic systems that are essential to a well-run HCVP operation. At the time, job descriptions lacked clear and understandable job requirements and performance standards. A standard training program including required training certifications and training on agency-specific written procedures had yet to be developed and implemented. At least 11 positions within the Housing Choice Voucher Programs department did not have job descriptions, including the HCVP Director.

For calendar year 2009, HANO's utilization rate for tenant-based vouchers was 63%. Additionally, the backlog of late re-examinations was 8.6% in 2009 and HANO lacked a uniform process to ensure that rent reasonableness is determined prior to HAP contracts and rent increases. At the time of the Assessment in 2010, HANO had last updated its utility allowances in 2004, and no documentation was provided to indicate that the required annual review was conducted. Despite the fact that HUD regulations require that rent reasonableness be determined prior to initial lease up and before approving rent increases, a review of a sample of rents approved after March 2009 indicated that more than 80% of rent reasonableness determinations were not completed until after the HAP/Lease effective date.

For the Fiscal Year ending September 30, 2009, HANO self-reported a score of 40 out of a possible 145 points, which equated to a "troubled" agency rating under HUD's Section Eight Management Assessment Program (SEMAP). The low SEMAP score at that time underscored the fact that the HCVP Department lacked effective management, well-trained staff, written policies and procedures that were compliant with HUD regulations, and a systematic approach to ensuring that program transactions are subject to quality control reviews.

Prior to the start of the Administrative Receivership, reports of landlord dissatisfaction with the HCV program were widespread, primarily due to processing and payment delays. The Greater New Orleans Fair Housing Action Center published a report in 2009 that included the results of a telephone survey of one hundred property owners. The results found that, “Landlords denied voucher holders the opportunity to rent units eighty-two percent (82%) of the time, either by outright refusal to accept voucher holders or by the addition of insurmountable requirements...” Seventy-five percent of landlords surveyed refused to accept vouchers at all. Note that state and local law do not prohibit discrimination on the basis of income source. At that time, HANO had insufficient processing abilities, which would be required in order to increase the number of landlords prepared to accept vouchers.

NOW:

Since the arrival of the Gilmore Kean team, the Housing Choice Voucher Program has undergone many changes to ensure that its operations are more efficient and in compliance with HUD regulatory requirements. HCVP has developed and implemented a staffing plan, filled vacant positions, and continues to advertise for potential candidates when vacancies arise. Job descriptions, including clear standards and performance requirements, have been created or revised as necessary, and HCVP has benefitted from the agency-wide effort to implement a clear performance evaluation system.

Consistent with the training needs identified in Gilmore Kean’s Assessment, all current staff and new hires have received HCV Specialist Training.

Utility allowances have been updated in accordance with regulatory requirements. Previously, HANO had not updated its utility allowances for a five-year period. Internal controls over HAP payment processing have been strengthened including Finance Department oversight of check production, and the HCV Administrative Plan has been updated to reflect current HUD regulations and HANO policies. In addition, HANO has recruited and hired a qualified SEMAP Coordinator to track and monitor monthly performance indicators under SEMAP.

As of January 2014, 17,472 families are assisted under HANO’s HCVP, which is 100% leased up.

Operational improvements for 2012 include passing HUD's Section Eight Management Assessment Program (SEMAP) Certification, making HANO’s HCVP a standard performer. Also, a system of Project Based Voucher (PBV) site-specific waiting lists has been developed to expedite leasing of PBV units associated with the Program. Through its partnership with the HUD-Veterans Affairs Supportive Housing (VASH) Program, HANO was awarded an additional 50 vouchers to assist homeless veterans – bringing the total to 150. Enrollment in the HCV Family Self-Sufficiency Program has increased to 460 active participants of the required program size of 540 participants.

Under the Administrative Receiver, management of the HCV Department has been restructured. The contractors responsible for overall management of the HCV Department and for management of the HCV Inspections unit have been replaced by HANO employees. All core

HCV services are now performed in-house by trained HANO employees, including the department director.

After it was determined that annual Housing Quality Standards (HQS) inspections were not being conducted timely in accordance with HUD regulations, the inspections function, which was previously conducted by a third-party contractor, was brought in-house. Performance of the HQS Inspections has stabilized since that action. The majority of the inspectors are HQS certified, and additional training for the new hires will be scheduled for this year. Additionally, HCVP is working with the Information Technology Department to review available reports and create additional reports to track inspections data.

The Administrative Receiver commenced an initiative targeting all overdue recertifications and eliminated the aged backlog. Annual re-examinations are being conducted on a timely basis.

Under the Administrative Receiver, HCVP contracted with a vendor to design a rent reasonableness system that better reflects the current market conditions of this area. Staff training has been conducted, and procedures are now in place to ensure that initial rent determinations and rent increase requests are based on a formal rent reasonableness determination.

HANO has revised and amended its Administrative Plan and enhanced the chapter on Project-Based Voucher (PBV) assistance to comply with HUD regulations and HERA requirements. HANO has also developed and implemented written PBV procedures.

It should be noted that in light of the numerous historical problems associated with HANO's past administration of the PBV program, problems remain with the master file documentation for some PBV projects and long-standing tenant PBV tenant files. However, HANO has since taken active measures to ensure that newly processed PBV owner and tenant files are properly documented.

HUD regulations require that utility allowances be reviewed annually and adjusted if there has been a change of 10% or more in any utility rate category. Documentation of the annual review must be retained by the agency. Utility allowances have been updated in accordance with regulatory requirements and procedures are in place to document annual review compliance.

HANO has completely reorganized the manner in which HCVP finance operations are conducted. A team of four staff members is dedicated to this function and standard operating policies and procedures for vetting landlords, processing HAP/UAP payments (including a reconciliation process), and VMS reporting have been implemented. HANO also implemented a new financial management system and a new information system for HCVP that are integrated and have more appropriate controls to ensure the accuracy of landlord and tenant information captured and reported. The system also allows for more robust reporting to perform quality control activities, verify the accuracy and appropriateness of information used for the VMS submission, and ensures more efficient and effective monthly HAP processing.

Additionally, HANO implemented a mandatory supervisory review and authorization of the monthly HAP run and VMS submission by the Director of Finance. HCVP staff have refined operations to address challenges faced by the implementation of two new systems and to develop and implement more effective customer service initiatives to improve the experience of stakeholders (applicants, tenants and landlords) in the HCV program, thereby changing the perception of HANO's administration of the program and ultimately attracting and retaining more participants. In addition, HANO has recouped approximately \$1.8 million in landlord overpayments that were made prior to the current administrative receivership.

The Public and Indian Housing (PIH) Information Center (PIC) is the HUD database of property and client data. HANO is required to report family composition data, as well as timely information regarding move-ins and move-outs. At the time of the Assessment, HANO had recently converted to the Yardi computer system with the goal of automating HCV, Finance, Procurement, Public Housing and all other operational areas; however, at that time, there were significant deficiencies in the new system. Additionally, it was discovered that HANO's data in the Yardi system had significant inconsistencies from PIC and that the two systems needed to be reconciled. Once it became clear that Yardi, as implemented, would never meet HANO's needs, HANO procured and implemented Oracle's J.D Edwards ERP system for financial, procurement and grants systems. For HCV, Public Housing and Tax Credit applications, Yardi has been replaced with the Emphasys Computers Elite application. HANO has maintained a 100% PIC reporting rate since 2011.

Increasing landlord participation in the HCV Program has been a primary focus of the Administrative Receivership. With the assistance of Gilmore Kean, HANO improved relationships with participating landlords, revised owner briefing materials, and created a landlord video and training booklet that was implemented in January 2012. HANO began holding a landlord fair to assist current and new landlords with registering to utilize the Housing Choice Connect site. With the implementation of the new software system, landlords have access to more information regarding their participation in the HCV Program. HCVP launched its Landlord Portal July 2013. The portal gives participating landlords access to view their monthly payment statements, inspections information, and information on their tenants. The portal allows them to add and remove properties from the listing of available properties that is made available to HCV families.

To improve the clients' experience, HANO also revised and implemented the participant's leasing packet, and those participants in the move process are assisted with registering to use the Housing Choice Connect site. The quality of briefings and housing search assistance made available to voucher holders has been substantially improved. A housing search website has been established to facilitate the matching of voucher holders with appropriately sized, available housing units.

Partnerships have been established with local social service providers to improve coordination and support to HCV voucher holders who are disabled and/or homeless. HCVP continues to work with the Information Technology Department to develop a system that will allow waiting list applicants to be able to access information regarding their status via telephone and the

HANO website.

As vacant Housing Counselor positions become available in the HCV department, there is not always a sufficient number of qualified applicants to fill those vacancies, which often leads to decreased production and processing delays. In an effort to help alleviate that problem, HANO created and launched an HCVP Apprenticeship Program. The Apprenticeship Program provides the trainees with information on every aspect of the HCVP process, from the Administrative Plan to initial lease-up and the recertification process.

In addition, HANO moved its West Bank HCV offices to the Touro headquarters building in March 2012 in response to ongoing participant and community concerns regarding poor accessibility to the West Bank facility.

The end result of these efforts is greatly expanded access to affordable housing. In addition to HANO's efforts at developing new housing, utilization of tenant-based Section 8 vouchers increased from 63% in 2009 to 100.0% by the end of CY 2013. Over 5,000 additional households were served by the end of 2013 compared to the 2009 leasing level.

DEVELOPMENT AND CAPITAL PLANNING ACTIVITIES

THEN:

HANO's portfolio, comprised of 10 large sites and several hundred scattered sites, was in the process of a major transformation. Prior to Hurricane Katrina, HANO had a public housing inventory of 7,379 units, of which 5,146 were available for occupancy and 1,001 were approved for demolition. HANO already had started the process of demolishing outdated and obsolete units and replacing them with mixed-income communities using HUD's mixed-finance approach to public housing development. Post Katrina, flooding completely destroyed the Desire and Florida sites and rendered St. Bernard, Lafitte, CJ Peete, BW Cooper, and the majority of the scattered sites uninhabitable. Slow progress had been made by the date of the Assessment – more than four years after the hurricane – in redeveloping these sites.

At the time of the Assessment, we found a number of deficiencies within the Real Estate Planning and Development (REPD) Department that were contributing to this unacceptable rate of progress. For example, the staffing in the department was inadequate, and the majority of the work in REPD was contracted out to two consulting firms. One observation during the time of the Assessment was that HANO was so reliant on contractors that operations in REPD would be substantially halted should they fail to fulfill their obligations to the Authority. In addition, HANO's then-current Strategic Plan was outdated and did not reflect current and future needs, housing market conditions, staff capacities, and realistic financing approaches.

Prior to the current Receivership, HANO's REPD development staff – many of whom worked in other HANO departments before being assigned to REPD – generally lacked modernization knowledge and development experience. The majority of the technical work and project management was performed by contractors. During that time, information was only shared by the department on an as-needed basis and there appeared to be a lack of sophisticated financial understanding and ability to problem-solve on the part of contracted project managers overseeing complex mixed-finance deals.

At the start of the Receivership, HANO lacked a central database to document the status of various development-related processes, schedules, and budgets, and instead relied on spreadsheets created and maintained by individuals, resulting in a vacuum of information necessary for shared understanding and informed decision-making. This led to an environment where decisions were not data-driven – either because the data did not exist or was difficult to access because someone had to manually produce it. In the absence of good, accessible data HANO had developed a culture that was comfortable with uninformed decision-making. As a direct result of this lack of coordination, REPD was operating in crisis management mode, focusing only on meeting the most pressing obligation deadline and so moving from one impending deadline to the next. There was no overall management plan to guide the planning efforts associated with projects potentially targeted for funding in the near – or distant – future.

The Operational Assessment in 2010 also coincided with the period during which the substantial focus of the REPD was meeting the March 17, 2010 obligation deadline for \$34.5 million in ARRA formula funds. Based on the results of an assessment by the HUD Office of the Inspector General of the Authority's capacity to administer ARRA funds in May 2009, it was questionable as to whether HANO had the capacity to meet that critical deadline. ARRA funding, however, was not the only funding in jeopardy: At the start of the Receivership, Lafitte and BW Cooper were in jeopardy of not closing due to tax credit deadlines.

On the positive side, the Operational Assessment found that HANO's homeownership program was a success, with staff having reported closing on 119 HANO homes for HANO families (90 vouchers and 29 public housing units). In this instance the concern was not about staff capacity but the significant change in the housing market from when these plans were developed. With the homeownership market suffering from the credit crunch, and with limited new homeownership products being developed by HANO or its partners, the Authority needed to rethink what level of resources should be targeted for this program in the next few years.

NOW:

Initially staffed almost entirely by consultants with a significant annual cost to HANO, the department is now comprised of skilled staff recruited and employed by HANO. This has resulted in a cost savings of nearly \$1.7 million annually.

REPD recent hires have broad professional experience in real estate development and construction; staff training is underway to develop skills and expertise in HUD Mixed-Finance transactions, Low Income Housing Tax Credits, and real estate development and finance. REPD continues to use on-call consultants for technical assistance through the staffing transition.

REPD has also updated Standard Operating Procedures based on identified needs within REPD and across HANO departments. As REPD departmental and interdepartmental issues are identified, staff works on an ongoing basis to update the SOP.

Inter- and intra- departmental process improvements have allowed project managers to spend more time working through project issues. Major development projects are moving more smoothly and HANO is more active in identifying and mitigating development issues. With the improved departmental coordination and communication, and more clear roles and responsibilities, staff has better direction and is more effective. Additionally, efficiencies gained through improved process and better project administration have allowed for a reduction in total department positions from 19 in late 2011 to 12 in 2013.

REPD holds weekly project meetings and has greatly improved communication with HANO departments including Finance, Asset Management, and Client Services in order to better coordinate development activities. Though interdepartmental communication and coordination has improved drastically, REPD is still working to determine the most effective way to communicate with departments on project issues through periodic calls and meetings and/or

report sharing. Nonetheless, interdepartmental cooperation has greatly improved, resulting in more effective and timely decision-making.

In 2011, REPD lacked a comprehensive list of all HANO-owned properties. Scattered Site lists were disparate across departments – different departments tracked different information on scattered sites, but HANO lacked a centralized database of that information. REPD worked closely with all HANO departments to understand what information they needed with respect to scattered sites and developed a single comprehensive database to include all information. REPD also worked with IT to develop a user interface to allow all departments easy access to required information.

To address the lack of a comprehensive plan for HANO's future, the department completed the Strategic Plan for Development, Modernization and Homeownership programs and submitted it to HUD on June 30, 2011. The Plan provides a framework that details HANO's mission in providing and encouraging the development of quality, affordable housing and the preservation of healthy, vibrant neighborhoods for the citizens of New Orleans in a manner that promotes self-sufficiency and economic opportunity.

This Plan was developed based on extensive data collection and analysis of the current state of affordable housing in New Orleans. We collaborated with HANO residents, City and State officials, various housing advocacy groups, housing policy experts and other stakeholders to gather the data and develop key objectives to address current affordable housing needs. HANO posted drafts of the Plan on the HANO website to allow interested parties to comment. The Strategic Plan was prepared in conjunction with HANO's Five-Year Action Plan. To accomplish this, REPD reviewed existing resources and needs in order to prioritize the utilization of limited capital improvement funding.

The Real Estate Planning and Development Department has also prepared a detailed Implementation Plan to support the Strategic Plan. The Implementation Plan was prepared based on the needs and projects targeted in HANO's latest physical needs assessments and Five-Year Action Plan. This Implementation Plan provides a tangible approach to accomplishing HANO's mission and meeting our Strategic Planning objectives. The Plan includes an overview of HANO's existing portfolio, a description of current projects planned and in development, milestones for completing development projects, descriptions of Modernization work for existing public housing units, project staffing and projected sources and uses of funding necessary to implement these programs.

At the time of the Assessment, the City had recently completed the New Orleans Citywide Master Plan and Comprehensive Zoning Ordinance. It described in detail the policies and strategies to be used by the City to guide its physical development for the next 20 years. It also describes the 17 targeted redevelopment areas that the City identified post-Katrina for substantial investment and collateral improvements, which included neighborhoods associated with HANO's Big Four sites. It was noted as critical that HANO align its redevelopment activities with the city's priorities and investments. HANO has developed a close working relationship

with the City's administration and is working collaboratively with them, particularly around the Choice Neighborhoods redevelopment of Iberville and the surrounding neighborhood.

In addition, in 2012 HUD approved an extension for HANO's Elderly-Only Designated Housing Plan, which incorporates changes that reflect HANO's priorities.

Finally, and most importantly, access to affordable housing has been dramatically increased. At the end of December 2009, HANO served approximately 14,480 households in its affordable housing programs (public housing, HCV and Low-Income Housing Tax Credit properties developed by HANO and its partners). Under the current Administrative Receivership team, that number increased to approximately 19,300 by the end of 2013.

HOUSING MANAGEMENT

THEN:

At the start of the Gilmore Kean tenure, HANO's housing management function was in disarray, with a lack of written policies and procedures, poor waiting list administration, and weak oversight over privately managed properties. Interviews with staff at several privately-managed and mixed-finance properties at the time of the Assessment revealed that oversight on the part of HANO's Asset Managers typically involved a site visit once per month and the receipt of the property's monthly report. Indeed, several staff members at one property could not recall ever having seen HANO's Asset Manager on site. In addition, prior to the current receivership HANO routinely failed to repair and reoccupy units as they are vacated, and HANO staff indicated at that time that there was no stock of materials to facilitate the re-occupancy of units.

NOW:

The Gilmore Kean team has addressed these shortcomings and has, in conjunction with HANO staff, transformed HANO's Housing Management into Asset Management, a well-organized department that delivers effective property management services as well as stringent monitoring of private management companies. As a response to the above findings, HANO has restructured the entire Asset Management Department, hiring staff with relevant experience to oversee the management of privately managed and mixed-finance properties.

Standard operating procedures, consistent with compliance requirements under HUD's Asset Model, governing all asset management activities of the agency have been developed and implemented. The procedures include required activities to effectively manage HANO-owned properties from an operational and financial management standpoint. Procedures for rent collection, budgeting, unit turnover, inspections, and quarterly and monthly reviews of each property were developed based on PHAS indicators and asset management best practices. In addition, revisions to the ACOP were made and approved by the Board in October 2011 to reflect the modified policies and procedures.

HANO also developed Management Plans for each property managed by third parties. The management plans identify requirements related to admissions, eligibility, and day-to-day operations. Performance metrics for key PHAS indicators are also identified in this document. HANO staff conducts site visits and regular meetings with all third party managers to evaluate performance against management plan requirements to ensure compliance. The management plans are consistent with the ACOP and HUD Asset Management Model.

Given the lack of activity in the rehabilitation of units in the Iberville development, HANO made the decision to allocate a portion of the \$34.5 million in ARRA stimulus funds to renovate the units. Initially, rehabilitation efforts were focused on making improvements to existing units to improve the living conditions of current residents. The next phase was to renovate units that had been unoccupied for a long period of time in preparation for making more affordable

housing units available. While extensive renovations to occupied units were completed, living conditions for residents at Iberville were still substandard given the age of the property and the lack of effective upkeep and management by HANO in the past. Therefore the Administrative Receiver made a strategic decision to pursue a Choice Neighborhood Grant (CNI) to improve the living conditions and quality of life for all in the Iberville community. HANO was awarded a CNI grant in 2012 that will revitalize the entire Iberville/Tremé community.

In accordance with the ACOP, HANO continues to maintain site-based waiting lists. Based on the revised standard operating procedures, HANO's Asset Management Department reviews waitlist activity for HANO-owned and third party managed properties on a monthly basis. Specifically, waitlist numbers are compared to vacancies at each property to make a determination as to whether site managers are actively pulling individuals from the waitlist to fill vacancies in a manner compliant with policies and procedures and the ACOP or if the waitlist should be reopened based on the volume of activity. As a result of these efforts, waiting lists are current, properly maintained, and reflect a city in need of decent affordable housing. In order to properly serve those on HANO's waiting lists, average unit turnaround time has been reduced to shorter than 30 days.

The Department has established and implemented an asset monitoring tool consisting of a Monthly Performance Evaluation and Quarterly Review for each property. These tools evaluate HUD required managerial and financial benchmarks under asset management. They also capture property data with respect to unit turnover timelines, rent collection efforts, completion of work orders, and inspections of housing units and community common areas. For the monthly performance review, HANO established a standard report to be used by each property to report the outcome of specific performance criteria defined in both the Management Plan for each property and HUD PHAS requirements. During the regularly scheduled monthly meetings, Asset Managers meet with third-party managers to discuss progress and deficiencies in performance. This report is formally documented by the Asset Manager and provided to site managers. The Quarterly Reviews are much more extensive as Asset Managers not only meet with property management staff they also meet with maintenance staff, leasing agents, and other staff to discuss marketing strategies, capital needs (REAC inspections), and rent collections.

The Asset Management Department has added a new position of Operations Manager to the organizational chart. This position reports directly to the Director of Asset Management and is responsible for the preparation, development and analysis of Asset Management contracts, REAC Inspections as well as collaborates with third party staff and HANO's Modernization Department to identify capital needs improvements for the entire HANO portfolio.

HOUSING MAINTENANCE

THEN:

At the time of the Assessment, the Gilmore Kean Team considered overall maintenance staff/unit ratios to be appropriate at HANO, but found a number of issues that go beyond overall staffing.

Although HANO was committed to a decentralized property management and maintenance organization within the asset management structure, HANO maintenance staffing was not organized in a way that established overall maintenance accountability and responsibility at an appropriate level. Maintenance staff reported directly to supervisors outside of the AMP and did not report directly to the Senior Asset Managers.

Although the management and maintenance functions and procedures were well documented in a draft Asset Management Standard Operating Procedures Manual and the Maintenance Plan, HANO had not implemented them consistently. Maintenance staff interviewed evidenced a clear and consistent understanding of what constitutes an emergency but there was no written definition and a review of the work order report found some inconsistencies with how and when the definition was applied. As a result, HANO likely wasn't properly classifying work orders and therefore underreporting the number of emergencies corrected or abated within 24 hours. Also, HANO had not implemented its preventive maintenance plan based on an assessment of the physical needs of the properties or building systems.

An analysis of work order reports in 2010 found the data to be of questionable integrity. Findings included work orders that were generated long after the actual fact, leading the reviewer to conclude that the relatively short average completion times for work orders were suspect. Further, it was reported to the reviewer that when a work order remains outstanding beyond a 30-day period, it was voided and re-issued with a new request date. Additionally, work items identified during UPCS inspections are not entered immediately but are issued and closed when the work is performed resulting in a reduced turnaround time for these work requests. At that time, nearly ten percent of emergencies took greater than 24 hours to complete, some of which remained outstanding.

At the time of the assessment, aside from signing in and out at the beginning and end of the day, there was no system in place to measure how maintenance staff spent their workday and no tools to measure worker productivity. Further, the assignment of the work was not systematized, but instead was reactionary, ensuring inefficiencies as work was prioritized on a day-to-day basis. Labor hours were not recorded in the computer system and those that were recorded on the printed work order were highly suspect and no attempt was made during that time to reconcile actual labor hours consumed against those that were available. Labor rates recorded on the printed completed work order were not properly recorded in the computer system.

It was also noted in our Assessment that Asset Managers and the Senior Maintenance Repairer Specialist generally lacked the skills and training necessary for successful execution of an in-house maintenance work plan.

NOW:

Under the leadership of the Gilmore Kean team, HANO has implemented the HUD required asset management model. As a result, maintenance and other staff were reassigned to ensure appropriate staffing at the AMP level, with all staff reporting to AMP managers. Further, HANO has developed and implemented a Maintenance Plan identifying unit turnaround and work order requirements. Each maintenance staff member is held accountable by AMP managers and the Operations Manager for compliance with the stated requirements of the Maintenance Plan. With the implementation of asset management, HANO no longer requires stockpiling fixed assets to support operations. The inventory is managed at the site level. As a result, each HANO property acquires and stores inventory on an as-needed basis. Annual fixed asset inventories are performed at all HANO-owned sites.

HANO has also made the strategic decision to continue to outsource for certain maintenance services (e.g., plumbing, electrical, etc.) where the agency has had difficulty in recruiting qualified individuals and skill sets of existing staff are lacking, or where the cost of maintaining the skill in house is prohibitive.

During the implementation of the Asset Management Model, new position descriptions for the entire Asset Management Department were developed. The Director of Asset Management worked collaboratively with the Human Resources department to ensure position titles were reflective of actual responsibilities identified in the position descriptions. Some maintenance positions were eliminated completely to address the oversupply of maintenance personnel under asset management, or because some individuals were not performing maintenance functions. Currently, position descriptions that match duties and responsibilities exist for all maintenance staff. In addition, they are consistent with current titles.

To address issues related to the failure to adhere to any standard procedures, HANO developed and implemented Standard Operating Procedures and a Maintenance Plan identifying requirements in all areas of maintenance operations. For example, the documents clearly identify what constitutes an emergency, and established a 24-hour turnaround to complete or abate the condition. Additionally, as a part of the agency's quality assurance activities, the Operations Manager reviews a work order report identifying the status of all work orders at HANO-owned and third-party managed sites to ensure maintenance issues are appropriately addressed. Asset Managers confirm the status of work orders and compliance with Standard Operating Procedures and the Maintenance Plan during their weekly site visits.

To improve the capacity of Asset Managers and property managers to monitor the accuracy of work order documentation and to capture key data such as hours reported and materials costs, a new software system was acquired. It allows HANO to collect, record, report and monitor all

activities related to work orders, UPCS inspections and other operational activities. All third parties are required to collect and transmit data into the new system of record.

In addition to the acquisition of a new system, HANO has implemented other operational requirements to enhance monitoring of activities at each property. HANO Standard Operating Procedures require emergency work orders to be completed or abated within 24 hours and all other work orders be completed within 20 days. Under Asset Management, the AMP manager is responsible for enforcement of the procedures and for the conduct of various quality assurance activities to ensure the accuracy of the data. The effectiveness of the activities of the AMP manager is evaluated by Asset Managers during weekly and monthly site visits. Also, the Operations Manager conducts various quality assurance activities to validate the accuracy and completeness of work order data and to alert property managers of issues related to open work orders.

As reported, HANO's Asset Management Department now has asset monitoring tools, which include standard monthly reporting requirements for all properties, a monthly Performance Evaluation conducted by Asset Managers against those standards based on specific performance criteria, and a rigorous Quarterly Review of all operational and financial activities by property. The existence of clear performance standards and knowledge of pending reviews has assisted in improving management at all levels.

As of today HANO has conducted training in UPCS Inspections, Tax Credit Certification and HUD's Asset Management model. The Human Resources Department worked with the Director of Asset Management to define training requirements for the department.

In addition, HANO has implemented a procedure wherein a designated staff member performs re-inspections after a unit has been cited for a deficiency based on a UPCS inspection. Property managers at HANO sites and mixed-income sites are responsible for coordinating all UPCS inspections and conducting all follow up inspections based on identified deficiencies. The Asset Management Department reviews 5% of all inspections to ensure deficiencies are corrected.

RESIDENT SERVICES

THEN:

At the time the Operational Assessment was conducted, the Client Services Division was a function of the Real Estate Management Department. It was inadequately staffed and provided little in the way of services to its clients. At the time, the division's scope was limited to assisting with relocation services, providing limited oversight to the services provided by the developer or other third-party to clients of the HOPE VI and other mixed-finance sites, and providing oversight of HANO-funded contracts with the resident associations and/or individual residents. In the latter, the review found there was generally a loose scope of work, ill-defined outcomes and minimal tracking.

Overall, the provision of supportive services under this model and the quality of the services available was weak, fragmented, and with no clear indication that the services or the approach met the needs of residents. For residents not affected by HOPE VI, or living in Section 8 housing, their access to ongoing case management and supportive services was limited or non-existent.

While HANO had in place memoranda of understanding with several local service providers for projects focused on specific developments, there was no coordinated agency-wide approach to providing services. There was also a noticeable lack of coordination with the city and other local government entities that fund direct services programs, and a lack of engagement of local and national foundations that provided significant funding resources during the aftermath of Hurricane Katrina. Internally, there was inadequate cross-agency coordination, particularly regarding activities at properties undergoing redevelopment.

In the area of access to jobs, at the time of the Assessment it was noted that HANO did not make sufficient effort to position residents to take advantage of the employment and Section 3 opportunities available as the result of the construction and property management of the 'Big Four' and ARRA projects. HANO lacked a clear and integrated Section 3 strategy that articulated the agency's vision and goals, strategies for meeting goals, and penalties for lack of compliance. The communication around Section 3 opportunity was not well coordinated, nor were there any agency-wide employment training initiatives that linked employment and training opportunities. There was also little to no connection to citywide employment and training initiatives that could directly benefit HANO job seekers.

NOW:

HANO has been focused on developing and enhancing site-specific sustainability plans to ensure that previous and current investments are sustained over the long-term. While many of HANO's sites have existing supportive services programs, comprehensive sustainability planning across all of the developments will ensure that program funding is not exhausted. A range of current and emerging partnership opportunities exist and Client Services continues to have monthly meetings with third-party service providers and community partners to building upon

the existing infrastructure of agencies. HANO will continue to explore ways of expanding these partnerships to leverage existing programs and resources, identify service gaps, and address the needs of residents in underserved areas. HANO is working aggressively with local partners to improve partner prioritization of HANO clients.

Under the current receivership, HANO hired an experienced Director of Client Services, and has successfully developed a Human Capital Plan with input from a range of stakeholders. Site-specific plans are underway (or being developed) for key developments including Iberville, River Gardens, Desire, CJ Peete, Columbia Parc, Lafitte and BW Cooper.

Based on data analysis and stakeholder input HANO identified four key priorities and objectives to guide the resident quality of life implementation strategy and future investments: (1) sustainability, resource development and leverage; (2) workforce development, (3) youth development and early learning; and, (4) case management services.

HANO has been focused on developing and enhancing site-specific sustainability plans to ensure that previous and current investments are sustained over the long-term. While many of HANO's sites have existing supportive services programs, comprehensive sustainability planning across all of the developments will ensure that program funding is not exhausted. A range of current and emerging partnership opportunities exist and Client Services continues to have monthly meetings with third-party service providers and community partners to building upon the existing infrastructure of agencies. HANO will continue to explore ways of expanding these partnerships to leverage existing programs and resources, identify service gaps, and address the needs of residents in underserved areas. HANO is working aggressively with local partners to improve partner prioritization of HANO clients.

HANO's strategies to improve case management services for residents with limited or no access include: (1) for sites with no access to case management currently, expand enrollment into the Family Self Sufficiency (FSS) program (HCV and PH) by expanding outreach and enrollment via annual recertification process; (2) identify and secure funding to increase the number of FSS case managers to work with families in HCV and scattered sites, primarily; (3) partner with service providers to expand case management services to residents in the HCV program; and, (4) for sites with current case management programs, develop site-specific plans to sustain case management levels, and/or realign case management ratios where appropriate.

The Coordination of the FSS program with third party supportive services contractors has helped to increase enrollment and has provided additional opportunities of assistance to residents. The FSS Coordinator currently has an enrollment of 68 residents. While several of the FSS participants are currently employed, we are continuously providing referrals for job training and educational opportunities including scholarship offers and assistance with appropriate clothing during the interview and hiring process. Most recently, a PH-FSS participant was offered the opportunity to attend the Cordon Bleu on a two-year scholarship and job placement assistance after graduation. The FSS program continues to work with clients to help them create and manage their budgets and connecting them with homeownership counselors.

In response to the challenges noted above, HANO has developed a closer working relationship with range of stakeholders including the City's new administration. For example, HANO is working collaboratively with the City around the Choice Neighborhoods Initiative redevelopment of Iberville and the surrounding neighborhood. HANO and the City were co-applicants for that grant application. HANO actively participates in NewCity working group, which includes key stakeholders focused on redevelopment of the neighborhood surrounding Iberville and Lafitte developments. HANO was also selected to participate in the Administration's Strong Cities, Strong Communities Initiative. HANO has participated in the Central City Funders Collaborative meetings (this group, headed by the Annie E. Casey Foundation, provides funding to CJ Peete). HANO has executed Memoranda of Understanding with a range of local partners including The Urban League, Total Community Action, the Workforce Investment Board, Job1, and many others.

In response to an insufficient Section 3 effort, HANO revamped its Section 3 plan and program to more aggressively track Section 3 compliance, better integrate internal project monitoring and compliance functions, and leverage HANO contracts to maximize benefits to residents.

HANO's efforts to raise the level of Section 3 awareness and compliance have sparked national discussion to explore innovative ways to address strengthening federal compliance regulations. HANO recruited and hired a qualified Section 3 Coordinator, who attends all pre-bid meetings hosted by HANO's procurement department to educate vendors, general contractors and developers on HANO's Section 3/DBE/WBE hiring and contracting requirements, policies and procedures. On a weekly, monthly, and quarterly basis HANO's Section 3 Coordinator monitors Section 3 and DBE reports to ensure compliance. In addition, the Section 3 Coordinator engages HANO staff members on a weekly basis during Development Team conferences to discuss HANO construction projects and all Section 3/DBE/WBE concerns and updates.

HANO's Employment and Contracting Plan was revised to enhance Section 3 resident employment and contracting opportunities for Disadvantaged Business Enterprises (DBEs), Women-owned Business Enterprises (WBEs) and Section 3 Businesses. The proposed revisions strengthen the current policy and improve compliance. The proposed changes were reviewed by HUD, the Resident Advisory Board, and community stakeholders prior to putting the final updated plan in place in March 13, 2012.

In 2012, the Section 3 Coordinator facilitated job fairs for the Fischer renovation and repair project, which resulted in the hiring of 15 residents. Five have also participated in the National Center for Construction and Education and Research (NCEER) pre-construction training program. Two employees were hired by the contractor after the completion of Fischer renovation.

In 2013, the Section 3 Coordinator helped to improve processes for potential employers of Section 3 residents by partnering with HANO's IT department to implement an online registration process and by creating a registry and database to provide access to contractors in identifying prospective employees. Additionally, HANO has implemented paid internship opportunities through the employment, training and contracting policy for HANO residents.

Interns were placed with HANO contractors including Chester Engineering Firm and the Rodney & Etter Law Firm; and the Vera Institute has permanently hired a HANO resident. This office will continue to focus on training and employment opportunities and appropriate monitoring of upcoming HANO projects at Florida, Iberville, and Guste.

In order to better coordinate efforts, HANO's homeownership program has been transferred to the Client Services Department. The homeownership staff has assisted over 270 families with becoming homeowners. There are currently 590 active participants enrolled in the HANO Homeownership Program. In 2013, the Homeownership staff has assisted 26 new homeowners. In addition to an individualized assessment plan provided by the Homeownership staff participants are given access to HUD certified non-profit organizations that provide financial fitness classes and credit counseling in order to prepare them for the homeownership process.

SAFETY AND SECURITY

THEN:

In 2010, HANO employed three types of security personnel at its developments: unarmed contract security at two senior developments, HANO special police, and contracted NOPD officers at the Iberville and Fischer developments.

At that time, HANO's police force consisted of a special police operation commissioned by the New Orleans Police Department (NOPD), with one Chief, one Lieutenant, one Sergeant and six Officers. Its members were uniformed and armed. Their jurisdiction was limited to HANO properties. By arrangement with the NOPD, they had arrest powers on those properties but did not prepare official incident, offense or arrest reports. Its members did prepare internal reports of activity and were called upon to provide court testimony on arrests they make or when they provide assistance to NOPD officers.

At the time of the Assessment, staff used vehicles, weapons and bulletproof vests secured in 2004. The vehicles, while well maintained by security personnel, were near the end of their useful lives. The vests that remained had exceeded their warranties and were in need of replacement.

At the time of the Assessment, the NOPD provided crime data to the HANO Director of Security on a quarterly basis for each HANO development. The data consisted of both a quarterly and year to date comparison with the previous year of FBI Uniform Crime Reporting (UCR) incidents occurring in and around HANO properties. While the report provided to HANO senior staff through the Director of Security accurately reflected crime occurring in and around HANO properties, and was sufficient to meet reporting requirements to HUD, the infrequent nature of the report was insufficient in providing timely data that would be useful in short term planning and the immediate measurement of security personnel deployment and other security measures employed.

The Director of Security indicated in 2010 that security features were not incorporated into the planning for property modernization. With the exception of lighting – which is generally regarded as insufficient – physical security measures were absent from both the traditional and redeveloped housing. Even in redeveloped properties, the differentiation between public, semi-public, semi-private and private space is minimal. An exception to the lack of physical security was the securing of vacant dwellings. These dwellings were secured by a private contractor with a metal grating system that appeared highly effective, although very expensive.

NOW:

The efforts to establish a police department by the Housing Authority of New Orleans culminated on June 21, 2011, when Governor Bobby Jindal signed into law Act 117. Act 117 authorized HANO to commission "peace officers" to patrol HANO properties. These officers shall exercise regular police powers of the state granted to law enforcement officers, including

but not limited to, enforcement of municipal and traffic laws, issuance of municipal summons and citations with respect to criminal and other offenses affecting the protection of persons, properties, or interests relating to HANO. The law also requires that HANO's peace officers be certified in accordance to the Peace Officers Standard and Training Law (POST). The passage of this legislation provides a great opportunity for HANOPD to take a more significant role in the agency's effort to improve the quality of life for the residents of public housing.

HANO has reorganized its public safety department and now has adequate staff positions to support operations. Under the new structure, the number of sworn officer positions has increased from 10 to 24. In the organizational restructuring, the number of Sergeants has increased from one to three.

The new officers were certified through the Peace Officers Standards of Training Council (POST). HANOPD officers also successfully completed various in-service training requirements. The in-service training included but is not limited to TASER and Active Shooter, Excited Delirium, Domestic Violence, MDTS, Firearm, First Aid and Report Writing. Two officers were certified as instructors in TASER and Active Shooter. The NOPD has provided training in its MOTIONS system, which provides access to NCIC by HANOPD officers.

In addition to forming the HANOPD, HANO entered into an MOU with the NOPD. The MOU addresses issues such as maintenance of baseline services by NOPD, training, communications, response to Part I UCR incidents, etc. HANOPD and NOPD now have concurrent jurisdiction at all HANO sites. HANOPD will respond to calls for service and provide enhanced patrol coverage. However, as the first responders, NOPD will be responsible for investigating and documenting all Part I crimes that occur at HANO sites.

An assessment of equipment was conducted and the process to upgrade the equipment has begun. Nine new police vehicles have been purchased. The police vehicles are equipped with sirens, blue lights and prisoners cages. New uniforms, duty rigs (e.g., gun belt, holder, and radio holder) and TASERs have also been purchased. A new radio system is now in use which enables members of HANOPD the ability to communicate with other law enforcement agencies in the region. This is crucial during regular and emergency situations.

In addition to receiving quarterly crime statistics from NOPD, HANOPD officers now attend a weekly COMSTAT meeting at the NOPD's 1st, 4th, 5th, 6th and 7th Districts to discuss strategies for crime and other issues affecting the districts. Some of those issues impact HANO developments or neighborhoods where HCVP voucher-holders reside. Those meetings have been very successful venues for gathering information regarding HANO tenants and criminal activity that occurs in and around HANO sites or HCVP properties. These meetings are also used to obtain police reports in a more efficient and timely manner.

HANO now incorporates CPTED concepts at all developments and is working with resident groups currently engaged in redevelopment efforts to further improve security through physical improvements. In addition, HANOPD was successful in initiating Neighborhood Watch programs at four HANO sites.

CONTRACTING AND PROCUREMENT

THEN:

Overall, there was a need for greater transparency in the process to ensure efficiency and to hold individuals accountable. The actual implementation and coordination of procurement activities required significant improvement to ensure compliance with applicable laws and regulations and that goods and services were acquired in a manner that was in the best interest of the agency.

Prior to Gilmore Kean's tenure, HANO managers failed to actively review and analyze data related to the activities of the agency in acquiring goods and services. Key findings included: Procurement managers failed to routinely track or monitor purchases (through financial or other management reports) to determine irregularities, violations of policy or procedures, or compliance with contract terms; contract monitors were not sufficiently trained; vendor information is not sufficiently maintained; the agency engaged in contracts with several vendors with prior criminal convictions (specifically, public corruption charges) or that had been previously debarred; communication between the Contracting and Compliance and Finance Departments was inadequate to prevent vendor overpayments or payments not in accordance with contract terms.

While HANO had formal procedures for purchasing activities that required various levels of approval depending on the procurement method, in response to the past issues related to misconduct and misappropriation of funds, the former administrator made the decision to review and approve all requisitions and sign all checks. Other examples of inefficient practices observed during the Assessment included separate requisitions prepared for office supplies for each department for each acquisition, or individual solicitations for all properties requiring grass cutting services, instead of bundling them all into a single contract.

Related to issues of accountability, the review found that the Housing Authority failed to maintain adequate records to demonstrate compliance with state and federal laws and regulations, as well as internal HANO procurement policy. Information obtained during the assessment provided sufficient evidence that the controls over procurement activities in 2010 were ineffective. There was no system of "checks and balances" to detect and prevent fraud, waste, and abuse. Even with the lax procurement standards were in place at that time, staff routinely circumvented the procurement process.

Under the asset management model, the purchasing process requires participation on the part of staff at the developments and the central office. During interviews of staff with responsibilities related to the purchasing function, there was great concern expressed regarding the lack of effective communication among Asset Managers, central office managers, purchasing agents, and accounts payable staff related to the process for acquiring goods and services and the payment for such services. Some of the major issues identified included individuals purchasing goods prior to having an authorized purchase order, individuals not

“receiving” goods and services in a timely manner to acknowledge delivery or facilitate payment, and missing or incomplete documentation to support payment of invoices.

HANO leadership had also failed to establish a formal process or produce an annual plan to guide annual procurement activities. In accordance with HUD Handbook No. 7460.8 Rev 2, Chapter 3.1, a PHA should engage in advanced procurement planning to maximize competition, decrease procurement costs, reduce administrative cost, and to ensure that all supplies and materials are obtained without the need for re-procurement.

NOW:

HANO has since implemented a Procurement Policy to cover all procurement activities of the agency. The policy is consistent with HUD procurement regulations; it establishes acceptable limits of approval authority of executive staff and segregation of duties to deter procurement fraud; and it addresses non-standard procurements such as credit cards, petty cash, and direct payments. To complement the Procurement Policy, HANO has implemented comprehensive Procurement Procedures and developed a user guide for departments in order to ensure an understanding of and compliance with all procurement policies and relevant laws. The user guide also provides technical assistance to User Departments in initiating and completing procurement requests that clearly define needs and that are within established budgets.

In July 2011, a Contract Administrator was hired to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. Contract Administration is being performed to monitor the activities of HANO staff and vendors to determine how well HANO and the contractors/vendors are performing in meeting the requirements, terms and conditions of the contract. The process of contract administration encompasses all dealings between HANO and the contractor/vendor from the time the contract/purchase order is awarded until the work has been completed and accepted or the contract terminated, payment has been made, and disputes have been resolved.

To address capacity issues within the department, staff members have joined the National Institute of Governmental Purchasing (NIGP). As members of the NIGP, the Procurement and Contracts staff have attended and participated in educational opportunities through webinars and seminars offered by NIGP. In addition, procurement staff has received training in continuing education courses, which include software usage, public procurement law, solicitation/contract development and contract administration. Staff training courses were received in-house and through online webinars. Additional certifications and training courses will be scheduled in the upcoming months.

Additionally, Procurement and Contract Administration training was conducted. Training included a review of all policies and procedures to train Directors, Contract Monitors and other agency staff who have direct oversight of any contracts or purchase orders in their department.

As part of the migration to a new enterprise software system, departments now have the ability to access standard reports that provide them with the data needed to effectively manage and

monitor their procurement activities. With the use of the new system, Procurement is able to perform tasks more efficiently.

HANO has implemented a new and improved vendor portal that offers an online registration process. The process provides HANO with a method to integrate vendor registration, invoicing and payments. Further, the portal identifies Disadvantaged Business Enterprises (DBEs), Women Business Enterprises (WBEs) and Section 3-Owned Businesses and their specialty trades. Having this information adds to the efficiency of the procurement process.

HANO has also increased its efforts to publicize its procurement process, by hosting an annual Opportunities Seminar and participating in local Small Business Expo's to train potential vendors in how to do business with HANO. To better forecast procurement activities, yearly HANO engages in formal procurement planning for the upcoming fiscal year. This process allows for the management of the procurement function by including planning as a part of the budgeting process. The process is conducted simultaneously with the annual budget development process. The Finance and Procurement Department meet with directors of other departments to identify all anticipated acquisitions for goods and services for the coming fiscal year.

MANAGEMENT INFORMATION SYSTEMS

THEN:

HANO's Information Technology Department has primary responsibility for maintaining the agency's network including workstations, servers, software, and telecommunications. At the time of the Assessment in 2010, there were approximately 250 staff and contractors using HANO's system. Locations included the main office at Touro, the West Bank Housing Choice Voucher Program (HCVP) office and individual housing development sites (BW Cooper, Columbia, Estates, Fischer, Guste, Harmony Oaks, River Garden, Iberville); however, there was no physical connectivity among these locations, and instead users connected via the Internet to HANO's Virtual Private Network (VPN).

A significant focus of the Assessment revolved around the then recent implementation of a third-party software package. It was intended to automate all financial/procurement, public housing management and HCV program functions, but instead led to years of frustration with its implementation. Regardless of which system HANO uses, its reliance on software vendors to support implementation had rendered HANO unable to efficiently manage and maximize utilization of the system.

Prior to the current receivership, HANO did not have a clearly defined system in place to manage staff and contractor access to its computer systems. Thus, for example, there was no updated source to determine whether all licenses assigned by the software vendor (and paid for by HANO) were actually in use. Standard industry practices require a structured sign off process for all add/delete/changes to user access.

At the time of the Assessment, HANO was in the process of installing a Storage Area Network (SAN) that was to include a remote, off-site location containing a near real-time copy of all HANO data. Completion of this project, along with publication of a detailed procedure to ensure continuity of operations in the event of another disaster, was long overdue.

NOW:

HANO's Information Technology Department is fully staffed, with a complement of six trained professionals. The current staff handle Network Administration, Programming, Help Desk Support, Desktop Support and Software Training, eliminating reliance on outside vendors to support the agency.

In order to replace its dysfunctional enterprise software system, HANO procured and implemented Oracle's J.D Edwards ERP system for financial, procurement and grants systems. For HCV, Public Housing and Tax Credit applications, the legacy system has been replaced with the Emphasys Computers Elite application, which has document imaging capacity, eliminating the need for a separate scanning system. The Elite HCV components went live in December 2011. The Elite system was fully implemented, with a new portal and complete set of report generating systems for each department, by the second quarter of 2012.

In order to address access and security issues, HANO now tightly controls access to its systems, with a structured sign-off process to add/modify/delete user access. All software licenses are now tracked.

HANO's IT Department has also deployed SAN technology. The SAN involves two servers located in the main office that back each other up for redundancy. A third SAN server is located in an off-site location in Dallas, TX. The off-site server is a key part of HANO's planned disaster recovery solution.

COMMUNICATIONS

THEN:

When the Administrative Receivership Team conducted an examination of the HANO Communications Department, it was during a period when the agency was much maligned in the media and criticized by clients and other stakeholders, who had witnessed the exit of a number of employees and contractors under a cloud of suspicion, including several criminal convictions. The general perception of HANO was imbalanced and generally negative. HANO had also failed to make use of basic communication tools, like its website, to keep internal and external audiences up to date on its activities and accomplishments.

Unfortunately, at this critical time in HANO's public relations history, the agency was dependent upon employees lacking sufficient skills and/or training to disseminate critical external and internal messages. As a result, not all department heads understood the need to provide accurate, documented information in a timely manner. The Communications Department was not then qualified or empowered to provide the kind of training and strong leadership that might have alleviated this problem, providing balance in negative media reports.

As for media relations, the relationship between HANO and news media was largely adversarial before Gilmore Kean's engagement, rather than one where HANO could expect fair treatment by the media. And as with the news media, HANO had no effective plan for re-building and strengthening relationships with organizations and civic leaders who shape public opinion and policy.

NOW:

Since the publication of Gilmore Kean's Assessment, HANO's entire communications staff has been replaced with more skilled and better trained personnel. Currently, HANO's Communications Department consists of a Public Information Officer and a Communications Specialist.

Gilmore Kean has worked to repair relationships with individual members of the media and has cultivated several productive working relationships. For example, a "Media Day" strategy was developed to improve the relationship between the media industry and HANO. These events, consisting of a set of pre-arranged face-to-face meetings, are designed to promote positive stories and a dialogue with media groups. Examples of past media days include the Administrative Receiver's monthly update with WBOK 1230 am, and the Choice Neighborhoods Initiative grant award press announcement hosted by HUD. And in order to better connect HANO with the community, a strategy to utilize social media tools was completed in order to share real-time information about the agency and connect with HANO's residents, stakeholders and other government entities.

In addition, an E-newsletter was created to provide information about HANO activities over the course of the fiscal year, including feature stories on development activities, information on

internal HANO initiatives for employees, and a focus on accomplishments of residents and resident leaders.

The Communications Department staff has worked closely with the Senior Advisor to the Administrative Receiver (who is responsible for all intergovernmental relations) to provide responses to frequently asked questions (FAQ). This FAQ sheet is distributed to public officials and used to respond to information requests from local government officials, when appropriate.

The Communications department also worked with the Senior Advisor to develop a newsletter for the Iberville Renaissance related to the Choice Neighborhoods Initiative Implementation Grant Application. The newsletter serves as a vehicle to communicate to residents the status of the CNI Grant, related community meetings and other planned activities and pertinent information critical keeping Iberville residents informed of the redevelopment efforts.

Internally, HANO staff worked with the Chief Internal Compliance Officer to produce an Ethics E-Newsletter to introduce the CICO as the Ethics Officer of the agency and to communicate to staff, vendors, private and nonpublic partners and other concerned parties about the ethics policy and other related activities such as training.

HANO's web site has been completely redesigned. The Communications department worked closely with the Information Technology Department in developing a new, more attractive design with updated content on programs and the mission of the agency, community activities and events, and real time press releases on agency accomplishments. Scheduled Board meetings and the agenda for each are located on the home page on the site. Of particular interest is Housing Choice Connect (HCC), a system developed by HANO to allow landlords to post available properties on-line and enable residents seeking a place to live to search the site. Activities to support the roll out of HCC included several public service announcements and paid radio spots, use of inexpensive media, such as flyers announcing the HCC, and an on-line tutorial for landlords and residents.

An Intranet/Employee Portal was redesigned for employees to easily access, navigate, upload and print forms and manuals, and to allow immediate access to financial and database systems. The portal also hosts an internal newsletter that will feature stories, announcements, and emergency alerts for employees to peruse.

ONGOING, POST-RECEIVERSHIP WORK

HANO will be emerging from receivership in the very near future. We came here to bring stability and competence back to an organization that has lacked both for several years. As the forgoing report attests, that goal has been accomplished. HANO can now proudly take its place among the larger community of public housing authorities all across the nation that fulfill their mandates and serve their constituencies consistently capably and compassionately. Its reputation has been restored. But, with HUD's concurrence, we did not come to New Orleans to dictate to the city the role HANO should play in the community's future strategy for serving the growing need for affordable housing in this city. That opportunity and responsibility rightfully belongs to the citizens of New Orleans, their elected officials, the first post-receivership Board of Commissioners, HANO resident leaders and the next Executive. The task of accessing and reassessing HANO's future direction is a continuous process lasting the lifetime of the organization. If it is not performed regularly, the community will be ill-served and the agency will stagnate and wither---again. Moreover, the task of managing this organization repeats itself every single day. It does not end when receivership ends because there are always some issues that are ongoing and new ones arise regularly. The following sections contain information from each department about ongoing work that will carry HANO into the post-receivership era. Some initiatives begun in the latter stages of the receivership deserve special mention here and carry our recommendation that the new HANO leadership complete them.

Criminal Histories Policy Implementation

It became apparent to us that in this imperfect world, people of color, especially men, bore more than their share of involvement in the criminal justice system. In examining how this phenomenon related to HANO and the programs it offers, we came to believe that this community has significantly less access to housing and job opportunities at HANO because, whether explicitly or implicitly, officially or not, we have communicated that people with criminal activity in their background would be wasting their time applying for housing or jobs at HANO. So several months ago, after intensive debate and open negotiation with stakeholders – including the managers of HANO's privately managed communities – we amended the policy in the hope of changing that perception. However, as the receivership was nearing an end and we sought to publish rules and procedures to implement the new policy, we were surprised and disappointed to learn that several private managers no longer agreed with the policy and were seeking to obstruct its implementation. This is despite the fact that these private managers had already engaged with HANO on the issue earlier in the process and had won significant concessions. Those who seek to delay or terminate this initiative, perhaps thinking that the new policy is detrimental to their business interests, are wrong from both a moral and public policy perspective, and we urge the next iteration of HANO leadership to pursue implementation of this policy.

Disposition of Surplus HANO Property

We had enough time to complete the first round of sale of more than 100 scattered sites. The sales will net HANO more than \$1 million in revenue. We strongly urge that the process be continued. In particular, if the receivership ends before the transaction is completed, we hope the sale of the property known as Mazant Royal will be completed. This transaction alone will bring nearly \$1.5 million to HANO and will open the path to the development of mixed income housing on the site with no financial contribution from HANO.

Complete the Planning and Acquisition of Off-Site Replacement Housing

One of the important requirements of the *Choice Neighborhoods Initiative* program is the replacement of all public housing units lost to redevelopment. HANO committed to doing so and must deliver on that commitment. The process, spearheaded by one of the two developers selected by HANO to complete the Iberville CNI project, has been lagging and needs to be completed. In particular, it is essential that options on a portion of the Winn Dixie site and the adjacent RV site be executed.

HUMAN RESOURCES DEPARTMENT

In the absence of Civil Service rules and any collective bargaining agreements, HANO's personnel practices have operated mainly under the rules outlined in its Personnel Manual. The Personnel Manual serves as an important communication tool between the Agency and the employees. It sets forth expectations for the employees and describes what the employees should expect from the Agency. HANO's Personnel Manual should be continuously reviewed and updated, ensuring that human resources practices are in compliance with new and revised regulations. We had hoped to have identified a new HR Manager to fill the vacant position and, in fact, thought we had. However, that position remains vacant and needs to be filled with a highly-qualified human resources professional.

FINANCE DEPARTMENT

Now that it is operating as a functional unit, HANO's Finance Department is focused on ongoing financial management activities and improving upon its financial management. Currently we are in the process of completing the FY2013 Independent Financial Audit. The completion of the audit will assist with HANO's submission of the audited REAC Report. In the midst of this reporting season HANO's financial reporting team will receive training on the changes in HUD reporting as well as new guidelines referencing the input of financial data into the REAC system.

Over the past three years HANO has consistently reduced its financial annual audit findings. However, HANO continues to work toward further improving its management, record keeping, customer service and most importantly the public trust. A new and extremely capable CFO has been engaged who is developing a plan for the restructuring of the department.

OFFICE OF INTERNAL COMPLIANCE

Presently, the CICO is reviewing current HANO Hotline policies and procedures, with the goal of making recommendations on updating and improving the process. Additionally, the CICO has been tasked with conducting reviews of Finance, Real Estate Planning and Development, and the Housing Choice Voucher Program, to identify vulnerabilities and recommend necessary corrective action. In addition, the OIC has been tasked with working with external auditors and finance for annual audit conducting; and ongoing ethics presentations and special reviews, such as BW Cooper on-going monitoring, BW Cooper relocation reserve monitoring and BW Cooper Relocation Resident assignment.

HOUSING CHOICE VOUCHER PROGRAM

As this report shows, HANO has made significant progress in the HCVP, but additional work will be necessary in order to sustain the major improvements within the department. To that end, HANO plans to fully invest in formal and in-service training of current HCVP staff and new hires to insure that the department is operating efficiently and in accordance with regulatory changes. The continuous training will also help with SEMAP performance as HANO monitors its operations based on the performance indicators.

REAL ESTATE PLANNING AND DEVELOPMENT DEPARTMENT

HANO is self-developing housing at two sites: Florida and Guste. Construction began on 52 units at Florida and HANO is in the process of issuing a request for bids for demolition work elsewhere on-site. Construction is expected to be completed by the 3rd quarter of 2014 and full occupancy by the end of the 1st quarter of 2015. Demolition and infrastructure work are complete at Guste III, and a financial closing occurred in November 2013. Construction began in December for the 155 units and predevelopment work is underway for a Community Center at the Guste site.

Mixed income development with private developers is ongoing at BW Cooper, Lafitte, St. Bernard, CJ Peete, and Iberville.

At BW Cooper, the 250 unit Phase IA was completed and is fully occupied. A financial closing on a 160 unit Phase IB was achieved in 2013. The contractor has mobilized to complete Phase IB, which is approximately 61% complete. Construction completion is scheduled for 3rd quarter of 2014. The first 11 buildings are expected to be complete in April with reoccupancy of those units to follow shortly thereafter. Planning for Phase II has recently begun with demolition expected to be complete by the end of 2014.

Construction of the first 2 phases of Lafitte (134 and 142 units) is complete and the units are occupied. HUD approved HANO's request to unwind the Phase II funding so that OCD funds could be used for market rate housing in blocks 5-8. The Developer has completed the documentation necessary to substitute the OCD funding provided in the first two phases with HANO funding in order to free up OCD funding to complete market rate units

in Phase IV. The “swap” was funded in October 2013. A Notice-to-Proceed for the 89 market rate rentals was issued in February. Design work for the 100-unit elderly building (funded with FEMA and HANO Capital funds) is complete. The project will be re-bid in March, and a Construction contract is expected to be awarded in April so that construction can begin in May 2014. One hundred off-site rental units were completed in December 2013 and occupancy is underway.

At St. Bernard, Phase I, consisting of 466 units, Phase IIA, consisting of 49 units, and Phase IIB, consisting of 48 units, are complete. Having secured certificates of occupancy on the 120-unit elderly building in Phase III, the new building is fully occupied.

The CJ Peete developer recently completed construction on the last of 22 off-site homeownership units; sales of those units are ongoing.

At Iberville, master planning is complete and demolition is 45% complete with the remainder of the site’s buildings slated for demolition to be completed in May. A financial closing has occurred which will support the first and second phases of the project, consisting of 227 units of the 880-unit mixed-income community. Construction began in November 2013 and there is a Placed-In-Service deadline for Phase I of December 31, 2014. Phase I and Phase II will be ready for occupancy by early 2015. Construction closing for the balance of the Iberville on-site phases and for the Eastern Adjacent site is expected in 2014 -15. A Programmatic Agreement has been signed with the City of New Orleans, HANO, SHPO, and the ACHP regarding the Section 106 process and the authority to use grants funds has been received from HUD. HANO’s compliance with the agreement, including archeological monitoring, is ongoing.

HANO received bids for a round of more than 100 scattered sites in November 2013, for both market rate and affordable housing, and is in the process of completing those sales. REPD continues to work with HUD’s Special Applications Center to secure approval to dispose of all previously unapproved scattered site properties to Crescent Affordable Housing Corporation.

ASSET MANAGEMENT DEPARTMENT

Asset managers are required to conduct weekly site visits to observe operations, review work order reports, identify capital needs improvements, and provide assistance with HANO reporting requirements, and conduct a review of resident files to ensure compliance with admissions and eligibility requirements. Further, Asset Managers meet with property management staff to discuss overall management of the property and issues/concerns.

In order to cope with the Federal budget reductions, the Asset Management Department is exploring ways that the privately-managed properties can better cope with the accompanying reduction in subsidy. As part of that effort, the Asset Management Department is tracking program income in order to use that income for operating expenses and capital improvements which will minimize the need to tap existing reserves.

CLIENT SERVICES DEPARTMENT

HANO is developing a citywide workforce development strategy in collaboration with key partners including local and federal agencies, such as the City of New Orleans, the Workforce Investment Board, and the local HUD Fair Housing and Equal Opportunity Office. The goal will be to ensure that HANO clients seeking employment gain access to training and “wraparound” services that will support job placement, employment retention, advancement, and an increase in household income. This strategy will also seek to maximize Section 3 opportunities created by HANO investments.

HANO continues its ongoing outreach efforts to inform and educate individuals and firms about how to become a DBE, WBE or Section 3 Business Concern. Additionally, HANO has facilitated meetings with various city stakeholders to improve citywide compliance and tracking aimed at improving employment and training opportunities for HANO clients through a seamless employment referral system. To further this effort, HANO is providing technical assistance to the City to develop and implement a Section 3 plan that is compatible with HANO’s Section 3 plan and processes. In addition, HANO is taking the following course of action to improve upon its Workforce Development plans: (1) during monthly community meetings, encouraging resident enrollment in programs that provide employment training, job placement, job retention programs at every site; (2) improving resident access to soft-skills training programs for employment readiness through direct referrals with partnering agencies; (3) providing technical assistance to the number of resident-owned businesses that participate in HANO contracting opportunities (DBE/WBE/MBE); (4) seeking out partnerships with local economic development entities to provide technical assistance in the development of small business enterprises; (5) encouraging collaborative endeavors between workforce development partners aimed at eliminating duplication across all sites; and (6) facilitating Section 3 planning meetings with the City to create a clear path for HANO residents to access City contracts beyond HANO Section 3 opportunities.

In order to monitor the effectiveness of existing programming, HANO utilizes Tracking-at-a-Glance (TAAG), a centralized case management database to track services provided to residents. Utilizing this system, service providers and case managers will conduct needs assessments for 100% of all public housing heads of households for each of the communities. Section 8 FSS is also included in this new data system.

The Client Services Department continues to promote, establish, and implement programs to empower residents to become self-sufficient. Resident needs assessment and demographic data has been examined for the purpose of developing a comprehensive, results-oriented strategy for implementing self-sufficiency programs that will improve resident quality of life and are directed according to greatest need. HANO is collaborating with residents, community stakeholders, and third party service providers to refine priorities as needed based upon evolving resident demographics and needs.

Data collection by case management staff is ongoing and is being updated in HANO’s centralized system for supportive services. The following data sources are used to set priorities

and develop implementation strategies: (1) HANO occupancy data, including 50058 data for public housing (PH) and Section 8/Housing Choice Voucher Program (HCV); (2) Resident needs assessments (802) from Harmony Oaks, Columbia Parc, The Estates, Fischer, and Faubourg Lafitte as of August 2011. This data represents approximately 36% of households living in public housing units; (3) the HANO centralized case management tracking database, supplemented by monthly Community Supportive Services (CSS) reports submitted by third-party contractors; and, (4) the Iberville Choice Neighborhoods Initiative Resident Survey data.

The Community & Supportive Services program works closely with third party contractors to ensure quality case management to HANO residents. Services include: job training and educational opportunities, access to healthcare and summer/afterschool programs. One of the more successful programs is the implementation of the mobile computer labs currently serving HANO's senior residents in the Guste and Fischer communities. The CSS Coordinator meets monthly with providers and monitors contractual obligations while considering new strategies to improve services. The CSS Coordinator also serves as the main facilitator and liaison for the Resident Advisory Board (RAB).

Reflective of HANO's ongoing commitment to its homeownership program, it is anticipated that an additional 27 families will close on new homes within the next 6 months. The homeownership department will continue to boost enrollment through multiple outreach opportunities including housing fairs and workshops and direct marketing to clients. Additionally, the department is developing techniques and strategies to move longtime participants beyond the enrollment process and into the homeownership phase.

HANO POLICE DEPARTMENT

The HANOPD training initiative is an important component of the overall functioning of the department, as it is paramount that members of the department are kept abreast of the latest technologies and laws that impact law enforcement. HANOPD has solicited several agencies to provide training for its officers. The upcoming scheduled training curriculum includes, but is not limited to, TASER, Active Shooter, MDTs Instructor, First Aid/CPR, Firearms and Legal Aspects.

PROCUREMENT AND CONTRACTS DEPARTMENT

The Procurement and Contracts Department is exploring the implementation of an e-procurement management system that will allow nationwide distribution of documents, and confidential and timely submission of bids and proposals. The e-procurement system will provide vendors with an on line method for submission of Requests for Proposals (RFP), Requests for Qualifications (RFQ) and Invitations for Bids (IFB). It will capture vendor information, including commodity codes and supplier diversity data, i.e. a list of vendors meeting DBE/WBE and Section 3 requirements. After award of a contract, the system will initiate the contract administration process. Elements of the system will send alerts notifying contract administrators of key event dates, track compliance and milestones. Ultimately this information will provide data to analyze and report the success of each project.

Additionally HANO is in the process of revising existing procurement policies and procedures to address technological changes due to the implementation of the new financial management system and revised federal, state and local statutes and procedures.

INFORMATION TECHNOLOGY DEPARTMENT

Online Training Server: HANO's Information Technology department is developing a LAN-based, anytime, in-house, online training platform designed to deliver HANO customized curriculum to employees. Once fully implemented, the online training is fully capable of delivering courseware in the form of text, audio, video, or web resources. Users access a personal learning account linked to department or user specific training modules. Back-end administration provides access to account management tools such as student training schedules, reminders, assessments, and other user specific feedback.

Section 3 Database for Website: HANO's Information Technology department is developing an application to be built for section 3 clients to register through HANO's website. This application would make it easier for Client Services to send out jobs announcements to Section 3 clients. The Applicant would fill out a form and send in supporting documentation through the online application.

HANO Police Form Tracking System: HANO's Information Technology department is developing and implementing a custom application to be built in house that will track HANO's Police Department internal forms. These forms include:

- Incident Reports;
- Accident Reports;
- FIC (Field Interview Cards);
- Traffic Tickets;
- Summons; and
- Affidavits.

Fraud Allegation Tracking: HANO's Information Technology department is developing an application to help them track and display the following information:

- Person Reporting Allegation (possibly anonymous);
- Unique Report Number;
- Person being Reported;
- Method of report (Web, Hotline, Verbal);
- Type (HCVP, Compliance, HANO Police);
- Status (Open, Investigating, Closed); and
- Type of Allegation: e.g. Drugs/Violence, Fraud, Quality of Life, Sex Offender.

COMMUNICATIONS DEPARTMENT

The Communications Department will continue its focus on the development, management, and expansion of an outreach database to directly connect residents with vital information from the agency. A hard copy of the sign-up questionnaire was initially placed in the HCVP office lobby, and copies were delivered to each HANO site. Because of the slow pace of submissions from the sites, an online tool was created, enabling visitors to the website to virtually submit the questionnaires. This has greatly increased the pace of submissions. Additional advertisements will be placed in future editions of the HANO news Magazine, E-Newsletter and HCVP Newsletter.

The department will initiate an update to the HANO archive of new-related articles to include post Katrina activity. We will include media summaries, historical materials, past and current HUD approved Public Housing Plans, the Gilmore Kean, LLC Assessment and Recovery Work Plans, agency approved documents, brochures and newsletter distributed by HANO communities and third party management companies, and digital photos dating back to the most recent materials stored in the facility.

Other continual projects include the distribution of the agency's newsletter series; HANO news, HANO E-Newsletter and the HCVP Newsletter which are all published seasonally, initiation of necessary research to determine the benefit versus the risk involved in the expansion of social media usage, and the increase of community presence at HANO sites and the city by attending tenant and Community Social Services meetings regularly. Community participation provides more insight on social services offered to public housing and section 8 residents across the city.

NOTE: The following departments/positions were not included in the original Operational Assessment for a variety of reasons. It is important, however, to recognize that their work contributed greatly to HANO's recovery and that their ongoing work will be essential to HANO's continuing success.

SENIOR ADVISOR TO THE ADMINISTRATIVE RECEIVER

Criminal Background Policy: HANO is working with its contractor, the Vera Institute of Justice, and various other partners and stakeholders to implement HANO's new Criminal Background Policy which was created to ensure that all individuals, regardless of their criminal history, shall have access to employment and housing opportunities at HANO. HANO has made changes to all relevant policy documents, and is creating new procedures for implementation. We have drafted new screening criteria for applicants to assisted housing that are based on research, and which will help to accurately assess the risk that an applicant may pose to the safety and well-being of the community. In addition, we have created a panel review process that will objectively evaluate the criminal record of applicants to determine whether or not they should be admitted based on the risk that they pose. The full implementation of this policy will include extensive training of HANO staff, review panel members, and 3rd party property managers.

Overall collaboration and coordination: HANO continues to make progress in the collaboration and coordination of major initiatives and development projects with the broader community, and in particular the City of New Orleans. HANO has a close partnership with the City for the implementation of the CNI grant, a campaign to end homelessness, and is developing partnerships with the City around their NOLA for Life campaign and job training and economic development. HANO also participates in the Algiers Blight committee organized by Councilmember Palmer, working with other agencies, neighborhood associations, and partners to come up with strategies to eliminate blight and spur redevelopment activities in the Algiers neighborhood on the Westbank in New Orleans.

Union apprenticeship programs: HANO continues to work with the Southeast Louisiana Building and Construction Trade Council, AFL-CIO, and especially the Laborer's Union to create an apprenticeship program for our public housing and other Section 3 residents.

Career Academy: Through its nonprofit subsidiary, Crescent Affordable Housing Corporation (CAHC), HANO and its contractor, and in conjunction with funding partners the Kellogg Foundation, Baptist Community Ministries, and the JP Morgan Chase Foundation, are developing an innovative training program called the HANO Career Academy. The Career Academy focuses on academic and vocational education for HANO and other low-income New Orleans residents aged 16 to 30, who are recruited through a number of channels, including HANO itself, HANO's CSS partners, the juvenile justice system, TANF and SNAP programs, the foster care system, and a number of other providers. After intake, screening and assessment, the participants will undergo GED training if necessary, with an eye toward post-secondary education. They will then receive occupational training covering a number of areas, including trade skills, safety, construction math, and tool and materials identification. During their enrollment in the Career Academy, students will also receive supportive services such as childcare, credit counseling, case management, work readiness and life skills counseling.

STRATEGIC PLANNING DEPARTMENT

HANO's Strategic Planning Department (SPD) is currently comprised of two staff members. SPD's director was instrumental in organizing the department and has worked in that capacity for 16 years. SPD's other staff member has a 13-year tenure with HANO, and has worked in SPD for the past 11 years. Working in conjunction with the Executive team, staff, residents, and community stakeholders, SPD coordinates the preparation of HANO's annual and multi-year Public Housing Agency (PHA) Plans and assists in developing a variety of other Authority-wide and ancillary plans to guide HANO's capital, financial, and programmatic activities. SPD conducts housing needs assessments, demographic analysis and deconcentration studies, and performs ongoing technical, administrative, and executive support functions. SPD also works closely with HANO's affiliate entities, including Crescent Affordable Housing Corporation which is a 501(c)3 subsidiary created in 2003 to help further the Agency's affordable housing mission.

Transitioning to local governance will provide greater opportunities to weave the various plans together and ensure that HANO's initiatives are closely aligned with the City's programs and strategic goals. Moving forward, SPD will continue to coordinate HANO's plans with one

another and with other related initiatives such as the City of New Orleans Consolidated Plan. SPD will also work to build a more solid organizational infrastructure to support planning and resource development. Following is a synopsis of SPD's key ongoing activities.

- **Coordinating/Preparing PHA Plan:** Formatted according to the HUD template, HANO's PHA Plan outlines the Agency's operations and management policies; and describes crime and safety activities; resident self-sufficiency programs; proposed demolition and disposition activities; homeownership initiatives; and grievance procedures for the public housing and voucher programs. The Plan also contains a statement of financial resources for the fiscal year; information on the Agency's fiscal audit; obligation/expenditure status of all open capital grants; and a long-range spending plan for HUD capital funds projected to be allocated to HANO for each of the next 5 years.

HANO's Annual PHA Plan for fiscal year beginning October 1, 2013 was approved by HUD on July 26, 2013 with no deficiencies noted and that approval permitted the drawdown of the Agency's \$15.2 million capital fund grant allocations. In the coming year, SPD will begin coordinating the preparation of HANO's PHA Plan for submission to HUD in 2014.

- **Assisting with City of New Orleans Consolidated Plan and Related Efforts:** SPD provides ongoing assistance to the New Orleans Consolidated Plan (CP) process which is the City's planning and application document for four HUD formula grants (CDBG, HOME, HOPWA, and ESG). Working to promote consistency between the City's CP and HANO's PHA Plan, SPD also coordinates HANO's submission to the Consolidated Annual Performance & Evaluation Report (CAPER) which tracks CP-related progress and measures taken to address housing and community development issues.

SPD's Director served on the CP Steering Committee comprised of interagency representatives and community stakeholders charged with providing feedback and recommendations to all elements of the newly-developed Consolidated Plan for 2012-2016. In the months ahead, SPD will work with the City's team in developing the 2014 Action Plan and CAPER documents.

Additionally, once the revised regulatory guidance is issued by HUD, HANO will resume collaboration with the City staff and stakeholders on the Analysis of Impediments to Fair Housing – which is a requirement of all public housing authorities and local jurisdictions receiving funding through the Consolidated Plan process.

- **Collaborating on Resource Development Initiatives:** HANO is increasingly challenged to find alternative resources that will compensate for declining housing and development funds. This entails strengthening the organizational infrastructure for soliciting grant dollars; forging community partnerships; and assembling mixed-financing packages to sustain HANO's services, programs, and operations.

As a chief priority, SPD continues to assist with researching, identifying and soliciting resources to support HANO's programs and services. Core interdepartmental tasks include data compilation; scope definition/refinement; proposal preparation; and other related activities. Grant proposals that SPD has collaborated on include: a Fresh Foods Project designed to create employment opportunities and access to healthy foods; an Early Childhood Education Center; a Neighborhood Challenge Program to assist disadvantaged businesses; a Youthbuild Program application; and an application for Emergency Safety and Security Funding. In the months ahead, it is anticipated that HANO will engage in additional grant application submittals and other resource development activities.