



# Board of Directors

Agenda Item 6

**Bradley R. Sweazy, Chief Operating Officer**

**December 12, 2012**

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## **OCD/DRU Housing Programs Transition to Louisiana Corporation Highlights**

As a consultant for OCD/DRU, CohnReznick (formerly Reznick Group) has been engaged to assist with the development and implementation of Long-Term Monitoring Plans, Checklists, and other Process Improvements related to the transfer of Office of Community Development/Disaster Recovery Unit (OCD/DRU) Housing programs to the Louisiana Housing Corporation (LHC). CohnReznick has been assigned various transition-related tasks associated with the following programs:

- Nonprofit Rebuilding Pilot
- Soft Seconds
- First Time Homebuyers
- Piggyback
- Affordable Rental
- Permanent Supportive Housing

Additionally, CohnReznick was assigned various tasks related to the Neighborhood Stabilization Program and Small Rental Property Programs on 11/27/2012.

The following is an overview of transition-related activities performed thru November 26, 2012.

### **NONPROFIT REBUILDING PILOT PROGRAM**

*A \$24 million competitively awarded program that provides grants to nonprofits. Nonprofits work with lenders to provide forgivable deferred loans to Louisiana homeowners for the purpose of rehabilitating their Hurricanes Katrina or Rita impacted homes.*

#### **Overview of Tasks**

1. Documented OCD/DRU and LHC processes for file management, invoice processing, pre-closing and post closing.
2. Performed inventory and assessed documentation within LHC hard-copy files; provided training to assigned staff to implement file structure recommendations.
3. Consolidated five LHC invoice/budget tracking spreadsheets into one Excel Budget/Invoice Tracker, maintained on OCD/DRU's ePortal SharePoint site.
4. Reconciled consolidated Budget/Invoice Tracker to the State's Financial Reporting System.
5. Consolidated OCD/DRU pre-closing and post-closing operational tracking spreadsheets into a consolidated Excel Operations Tracker maintained on OCD/DRU's ePortal SharePoint site.
6. Worked with LHC Legal and NRPP Management to develop Loan Modification Process and forms.
7. Created NRPP Standard Operating Procedures to formalize all processes; provided training to transition responsibilities to assigned staff and implement new processes.
8. Developed memos to nonprofits to inform them of new processes.
9. Provided support related to implementing Grant Recipient and Program closeout processes and forms.

## OCD/DRU Housing Programs Transition to Louisiana Corporation Highlights

### NONPROFIT REBUILDING PILOT PROGRAM

#### Highlights/Results

- Streamlined program operations
- Improved invoice submittal and payment reconciliation process
- Single data set for expenditure and operations reporting
- Improved file management by developing a standard filing system
- NRPP Standard Operating Procedures clearly identify roles and responsibilities to increase accountability within the Program

### SOFT SECONDS PROGRAM

*A \$75 million Katrina/Rita funded program that provides closing cost assistance and no interest/no payment second mortgages to eligible first time homebuyers. Funds are allocated between five Grant Recipients.*

#### Overview of Tasks

1. Developed program management tool (SSMP Team Room), maintained on DRU's ePortal SharePoint site to process draw requests from Grant Recipients and reconcile advanced payments.
2. Developed live reporting dashboard within SharePoint to track closings and expenditures.
3. Developed automated reports to capture DRGR metrics and budget line item expenditures.
4. Created SSMP Standard Operating Procedures to formalize all procedures, identify roles and responsibilities, and document process flows.
5. Provided training to assigned staff and Grant Recipients to transition responsibilities from former OCD/DRU Administrator.
6. Performed reconciliation of program expenditures within SSMP Team Room to the State's Financial Reporting System.

#### Highlights/Results

- Improved invoice submittal and payment reconciliation process
- Automated, live reporting measurements
- Streamlined processes and enhanced transparency and communication with SSMP Team Room

### FIRST TIME HOMEBUYERS PROGRAM

*Program provides closing cost assistance and no interest/no payment second mortgages to eligible first time homebuyers. K/R funds (\$49.198 million) are allocated to seven Grantees, G/I funds (\$4.99 million) are allocated to Terrebonne and Cameron Parishes. Programs vary by Grantee, with each Grantee utilizing other funding mechanisms to assist the homebuyer.*

#### Overview of Tasks

1. Reviewed program contracts/ design documents of 7 Grant Recipients; Developed Quick Reference Guide.
2. Documented LHC programmatic and accounting processes for receiving/reviewing invoices.
3. Participated in work sessions with LHC staff to update Housing Development Software (HDS) required

## OCD/DRU Housing Programs Transition to Louisiana Corporation Highlights

### FIRST TIME HOMEBUYERS PROGRAM

fields and capture CDBG reporting requirements in preparation for the integration of FTHB Grant Recipients into HDS.

4. Developed a template to collect draw request data necessary to backfill the HDS required fields.
5. Analyzed expenditure data from State's Financial Reporting System report and previously processed draw requests and provided to LHC to backfill HDS.
6. Created FTHB Administrative/Program Delivery Draw Request (invoice) Tracker and backfilled with data from State's Financial Reporting System.
7. *Transition is in progress – Additional tasks related to policies and procedures documentation, data reconciliation and reporting to be performed.*

#### Highlights/Results

- Centralized data repository/program administration tool for all Grant Recipients (HDS)

### PIGGYBACK PROGRAM

*\$624,982,138 Program that provides low interest gap financing loans to developers to create mixed-income/affordable multi-family rental housing. The CDBG gap loans are leveraged with Low Income Housing Tax Credits & privately financed debt. The program expects to generate \$50M-\$100M in Program Income for the State over the next 35 years.*

#### Overview of Tasks

1. Performed analysis of OCD/DRU and LHC monitoring tools; identified gaps and revised LHC checklists to ensure capture of CDBG long-term compliance requirements.
2. Facilitated multiple work sessions with LHC and OCD/DRU staff to ensure knowledge transfer.
3. Analyzed monitoring status of all Piggyback properties and provided summary reports to LHC management.
4. Developed plan and processes to transition Piggyback properties into LHC Compliance portfolio.
5. Developed communications to developers and property managers outlining transition changes.
6. *Transition is in progress – Additional tasks related to monitoring transition policies and procedures documentation and file transfer to be performed.*

#### Highlights/Results

- Removed duplication of monitoring efforts by moving long-term compliance of Piggyback properties to LHC

### AFFORDABLE RENTAL PROGRAM

*Provides funding to rehabilitate, and/or construct safe rental housing for the needs of very low to moderate income households. Sixteen developments were competitively awarded for the State ARP Program (\$53.7 million) and \$24 million is allocated to the five entitlement parishes that received the most damage from Hurricanes Gustav and Ike.*

## OCD/DRU Housing Programs Transition to Louisiana Corporation Highlights

### AFFORDABLE RENTAL PROGRAM

#### Overview of Tasks

1. Documented program manager's management and monitoring efforts for State-ARP core areas.
2. Developed plan and processes to transition ARP-State properties into LHC Compliance portfolio.
3. Developed processes and forms for oversight monitoring of ARP-Parish properties.
4. Modified existing DRU and LHC Checklists for use by parishes to execute monitoring.
5. *Transition is in progress – Additional tasks related to ARP-State monitoring transition policies and procedures documentation and file transfer to be performed.*

#### Highlights/Results

- Documented processes for ARP-State Program
- Developed process for performing oversight monitoring of ARP-Parish Program

### PERMANENT SUPPORTIVE HOUSING COST MOVE ANALYSIS

#### Overview of Tasks

1. Identified and documented costs associated with moving Program staff from LHC building to Mid City Gardens Activity Center
2. Analyzed costs associated with administration of Project Based Voucher Program via contractor.
3. Developed cost-savings plan for administering Project Based Voucher Program in-house via the Louisiana Housing Authority.

#### Highlights/Results

- Identified cost savings resulting from administering the Project Based Voucher Program in-house

### OTHER MISCELLANEOUS TASKS

#### Overview of Tasks

1. Developed Transition Status Reporting Matrix.
2. Coordinated with OCD/DRU to develop consolidated summary of all HUD monitoring/audit reports and Louisiana Legislative Auditor audit reports for programs transitioning to LHC.
  - Provided a compilation of most recent audits and related findings, management responses, and corrective actions taken.
3. Continual technical support is provided for each transitioned program to ensure process improvement efforts are operating as designed and to ensure that improvement efforts are being utilized by staff.