



HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING

HELEN W. LANG MEMORIAL BOARDROOM, BUILDING B
4100 TOURO STREET, NEW ORLEANS, LA 70122

APRIL 30, 2019 at 4:00 P.M.

BOARD OF COMMISSIONERS

PRESIDENT
CASIUS PEALER

VICE PRESIDENT
LISHA A. WHEELER

COMMISSIONERS
ISABEL BARRIOS
TONI HACKETT ANTRUM
SHARON JASPER
DEBRA JOSEPH
KIM PIPER
ALICE RIENER

COMMITTEE APPOINTMENTS

DEVELOPMENT,
ASSET MANAGEMENT &
OPERATIONS

CHAIR
LISHA WHEELER

COMMISSIONERS
ISABEL BARRIOS
DEBRA JOSEPH
SHARON JASPER

FINANCE & AUDIT

CHAIR
TONI HACKETT ANTRUM

COMMISSIONERS
CASIUS PEALER
KIM PIPER
ALICE RIENER

PERSONNEL

CHAIR
CASIUS PEALER

COMMISSIONERS
ISABEL BARRIOS
DEBRA JOSEPH
ALICE RIENER

AGENDA

- I. STATEMENT BY GENERAL COUNSEL
- II. CALL TO ORDER
- III. ROLL CALL
- IV. COMMENTS FROM THE CHAIR
- V. APPROVAL OF THE AGENDA
- VI. APPROVAL OF THE MINUTES
 - Special Meeting held on March 22, 2019
 - Regular Meeting held on March 26, 2019
- VII. EXECUTIVE DIRECTOR'S REPORT
- VIII. COMMISSIONER REPORTS
 - Residents' Advisory Board (RAB) Report
 - Landlords' Advisory Board Committee Report
- IX. COMMITTEE REPORT(S)
 - Finance & Audit Committee Report
 - Development, Asset Management & Operations Committee Report
- X. DISCUSSION
 - Discussion of process to provide input to the President in setting the business, affairs and policies of the Authority to be discussed at regular and special board meetings
- XI. NEW BUSINESS
 - ITEMS FOR APPROVAL
AUTHORIZATON(S)
 - RESOLUTION NO. 2019-05 – Award of Contract for IFB #19-912-02 Corrective and Restoration Work to Vertical and Horizontal Fire-Rate Separation at Guste III
 - RESOLUTION NO. 2019-06 –90-day Contract Extension for Guste High Rise/Guste II Management Agreement
- XII. PUBLIC COMMENTS
 - Public Comment(s)
 - Board of Commissioners Comment(s)
- XIII. ANNOUNCEMENTS AND REMINDERS
- XIV. EXECUTIVE SESSION
Pursuant to La. R.S. 42:17(A)(2) Executive Session to discuss the case captioned Parkcrest Builders v HANO, No. 15-00150, E.D. La.
- XV. ADJOURNMENT



April 30, 2019

MEMORANDUM

**To: Board of Commissioners
President Casius Pealer, Vice President Lisha A. Wheeler,
Commissioner Isabel Barrios, Commissioner Toni Hackett Antrum,
Commissioner Sharon Jasper, Commissioner Debra Joseph,
Commissioner Kim Piper and Commissioner Alice Riener**

**Through Gregg Fortner
Executive Director**

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

**Re: Award of Contract - IFB #19-912-02 Corrective and Restoration Work to
Vertical and Horizontal Fire Rated Separations in Units at the Guste III
Housing Community - Group 5 & 6**

In 2013, Housing Authority of New Orleans (HANO) awarded the contract for the construction of 155 mixed-income housing rental units at the Guste III redevelopment site in Central City to Parkcrest Builders (Contractor). The Contractor was obligated to deliver 155 residential rental units in seven groups between October 2014 and March 26, 2015. The Contractor missed all of the completion dates. On April 10, 2015, HANO sent a Notice of Final Default and Termination to the Contractor and requested that the Contractor's surety company, Liberty Mutual (Surety), fulfill its obligation to complete the project. HANO signed a Takeover Agreement with the Surety, effective June 9, 2015, to restart work on the project after termination of the Contractor. The Surety rehired the Contractor to complete the work on the Surety's behalf with new completion dates for the seven groups between July and November 2015. The Surety missed all of the completion dates. Because of the Surety's failure to address code compliance and punch list issues within the 10 units for which they had obtained Certificates of Occupancy, HANO sent notice to the Surety that HANO would assume control of the first 10 units on July 15, 2016 and procure a contractor to complete the outstanding items so that the units could be occupied. Subsequently, with 10 of 155 Certificates of Occupancy obtained, the Surety provided notice that as of August 9, 2016 they would abandon the project.

HANO undertook the completion of the units in 5 separate contracts between 2016 and 2017. Just before HANO was scheduled to turn the last 42 units over to the property manager for leasing, a plumbing leak was discovered in Building 19. When the bathtub was removed to repair the plumbing leak, it was discovered that the original Contractor and Surety failed to install the proper wall assembly at the demising wall behind the tub. The as-built condition fails to maintain the integrity of the fire rating required by building code and does not confirm to the project construction documents. Subsequently, the gypsum wall board was removed at all affected bath and kitchen areas to reveal 36 units with compromised rated separations. A scope was drafted to repair these units in accordance with the building code. When HANO bid the project in late

2018, only one bid was received and it was more than two times the project budget. Feedback from potential bidders led to a reworking of the bid package in order to encourage more bidders to price the project.

HANO's Invitation for Bids #19-912-02 was first advertised for bid on Friday, February 8, 2019 and bids were opened on Tuesday, March 19, 2019. HANO received 4 bids that ranged from \$730,832.00 to \$1,529,204.00. The project budget was \$769,000.00. The contract duration is 150 days.

CERTIFICATIONS

Finance

The Chief Financial Officer has certified that the funds are available to complete the project.

Procurement

The Procurement Manager has certified that this procurement was conducted in accordance with all applicable Federal and State regulations and laws, and in accordance with HANO's procurement policy. The results of the due diligence indicate that the bidder is responsible. White Star Commercial submitted the lowest, responsive and responsible bid. The procurement memo is in your packet.

DBE/WBE/Section 3

The Director of Development and Modernization has reviewed White Star Commercial Employment, Training and Contracting Plans and finds them in accordance with HANO's Employment, Training and Contracting Policy. The plans and memo are in your packet.

HANO requests that the Board of Commissioners approve the award of a contract and authorize the Executive Director to execute a contract with White Star Commercial, Inc. to perform corrective and restoration work to vertical and horizontal fire rated separations at the Guste III Housing Community - Group 5 & 6 in an amount not to exceed Seven Hundred Thirty Thousand Eight Hundred Thirty Two Dollars (\$730,832.00) pursuant to Invitation for Bids #19-912-02.

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RESOLUTION NO. 2019-05

WHEREAS, the Guste Homes Phase III project will consist of 155 rental units, which includes 99 public housing/low-income housing tax credit units, 10 public housing only units, and 46 Project-Based Voucher units (Project); and

WHEREAS, The Housing Authority of New Orleans (HANO) procured a contractor in 2013 to build the Project (Contract #13-912-13; Guste II New Affordable Housing Units, between HANO and Parkcrest Builders, LLC); and

WHEREAS, the contractor failed to perform under the contract and was terminated by HANO on April 10, 2015; and

WHEREAS, HANO notified the contractor's surety, Liberty Mutual, of its obligation to complete the Project and entered into a Takeover Agreement to that effect on June 9, 2015; and

WHEREAS, the surety missed all the construction deadlines under the Takeover Agreement and ultimately the surety abandoned the project on August 9, 2016 before completion; and

WHEREAS, the Board of Commissioners of the Housing Authority of New Orleans authorized the award of the contract pursuant to IFB #17-912-11 for the Completion and Corrective Work at the Guste III Housing Development Group 5-6 in May 2017; and

WHEREAS, at the end of the contract scope for contract #17-912-11 for the Completion and Corrective Work at the Guste III Housing Development Group 5-6, a concealed condition was revealed which demonstrated that the vertical and horizontal fire rated separation between apartment units was compromised; and

WHEREAS, the New Orleans Department of Safety and Permits confirmed the need to repair the compromised vertical and horizontal fire rated separations; and

WHEREAS, HANO issued Invitation for Bids (IFB) #19-912-02 to procure a contractor to repair the units in accordance with the building code; and

WHEREAS, HANO received four (4) responses to the Invitation for Bids (IFB) #19-912-02 on Tuesday, March 19, 2019; and

WHEREAS, the lowest, responsive, responsible bid was received from White Star Commercial, Inc.; and

WHEREAS, White Star Commercial, Inc. submitted evidence of their commitment to comply with HANO's requirements relative to subcontracting opportunities for DBE and Section 3 Businesses and hiring opportunities for Section 3 individuals; and

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WHEREAS, the Finance Department has certified there is sufficient funding to provide for the corrective and restoration work to vertical and horizontal fire rated separations at the Guste III Housing Community - Group 5 & 6; and

WHEREAS, it is recommended that approval be given to award a contract to White Star Commercial, Inc. in an amount not to exceed Seven Hundred Thirty Thousand Eight Hundred Thirty Two Dollars (\$730,832.00), to perform corrective and restoration work to vertical and horizontal fire rated separations at the Guste III Housing Community - Group 5 & 6.

THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of New Orleans hereby approves the award of a contract and authorizes the Executive Director to execute a contract with White Star Commercial, Inc. to perform corrective and restoration work to vertical and horizontal fire rated separations at the Guste III Housing Community - Group 5 & 6 in an amount not to exceed Seven Hundred Thirty Thousand Eight Hundred Thirty Two Dollars (\$730,832.00) pursuant to Invitation for Bids #19-912-02.

Executed this 30th day of April, 2019

APPROVAL:

CASIUS PEALER
PRESIDENT, BOARD OF COMMISSIONERS



April 30, 2019

MEMORANDUM

**To: Board of Commissioners
President Casius Pealer, Vice President Lisha A. Wheeler,
Commissioner Isabel Barrios, Commissioner Toni Hackett Antrum,
Commissioner Sharon Jasper, Commissioner Debra Joseph,
Commissioner Kim Piper and Commissioner Alice Riener**

**Through Gregg Fortner
Executive Director**

**From: Maggie Merrill
Director, Asset Management Department**

**Re: Approval of Extension to Management Agreement with Guste Homes
Resident Management Corporation for Management Services at the Guste
High Rise and Guste II**

On October 30, 2018, the Housing Authority of New Orleans (HANO) Board of Commissioners approved Resolution #2018-16 authorizing a 90 day extension of the Contract for Services with the Guste Homes Resident Management Corporation (GHRMC) for Property Management Services for Guste High Rise and Guste II. The approval also provided for an additional 90 day option for extension. Both extensions were executed, and the second extension expires on April 30, 2019.

In its efforts to enter into a sole source contract with the GHRMC, HANO requested an opinion from the United States Department of Housing and Urban Development (HUD) on November 20, 2018 regarding which requirements had to be met to remain in compliance with HUD rules and regulations regarding sole source procurement of a Resident Management Corporation. On March 13, 2019, HUD issued its opinion that all provisions of Section 15.4 of the Procurement Handbook for Public Housing Agencies (HUD Handbook 7460.8 Rev 2), "Contracting with a Resident Management Corporation (RMC)" must be met when signing a contract and throughout the contract annually. The opinion also stated that in addition to Section 15.4 of the Procurement Handbook and 24 Code of Federal Regulations (CFR) 964.225 "Resident Management Requirements", HANO must abide by 2 CFR 200.320 (f) "Methods of Procurement" regarding procurement by non-competitive proposals. Based on the HUD opinion, HANO is no longer seeking to procure a sole source contract with the GHRMC and is now going through the process of securing a permanent contractor through an open procurement that will not be complete by the expiration of the management contract on April 30, 2019.

In order to continue operations at the property while HANO completes the process of securing a permanent property manager through an open procurement process, HANO is requesting to extend the existing contract for a period of ninety (90) days, with an expiration date of July 29, 2019.

HANO request that the Board of Commissioners approve the extension of the Contract for Services with the Guste Homes Resident Management Corporation for Property Management Services for Guste High Rise and Guste II for a term of 90 days, and to authorize the Executive Director to execute any and all documents necessary to effectuate the contract extension

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RESOLUTION NO. 2019-06

WHEREAS, the current Contract for Services with the Guste Homes Resident Management Corporation (GHRMC) for Property Management Services for Guste High Rise and Guste II expires on April 30, 2019; and

WHEREAS, the Housing Authority of New Orleans (HANO) requested an opinion from the United States Department of Housing and Urban Development (HUD) on November 20, 2018 regarding which requirements had to be met to remain in compliance with HUD rules and regulations regarding sole source procurement of a Resident Management Corporation; and

WHEREAS, On March 13, 2019, HUD issued its opinion that all provisions of Section 15.4 of the Procurement Handbook for Public Housing Agencies (HUD Handbook 7460.8 Rev 2), "Contracting with an Resident Management Corporation (RMC)" must be met when signing a contract and throughout the contract annually, and further stated in the opinion that in addition to Section 15.4 of the Procurement Handbook and 24 Code of Federal Regulations (CFR) 964.225 "Resident Management Requirements", HANO must abide by 2 CFR 200.320 (f) "Methods of Procurement" regarding procurement by non-competitive proposals; and

WHEREAS, HANO is in the process of securing a contractor for property management services for the Guste High Rise elderly community (385 units) and Guste II (16 family units) in compliance with the March 13, 2019 HUD opinion, and the process will not be complete before the expiration of the current contract; and

WHEREAS, in order to continue operations at the property, the contract must be extended beyond its expiration date of April 30, 2019;

THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of New Orleans hereby approves the extension of the Contract for Services with the Guste Homes Resident Management Corporation for Property Management Services for Guste High Rise and Guste II for a term of 90 days, and to authorize the Executive Director to execute any and all documents necessary to effectuate the contract extension.

Executed this 30th day of April, 2019

APPROVAL:

**CASIUS PEALER
PRESIDENT, BOARD OF COMMISSIONERS**