



HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING

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

SEPTEMBER 26, 2017 at 4:00 P.M.

BOARD OF COMMISSIONERS

PRESIDENT
ALICE RIENER

VICE PRESIDENT
ANDREANECIA M. MORRIS

COMMISSIONERS
TONI HACKETT ANTRUM
DONNA JOHNIGAN
DEBRA JOSEPH
VONDA RICE
CANTRESE WILSON

COMMITTEE APPOINTMENTS

DEVELOPMENT,
ASSET MANAGEMENT & OPERATIONS

CHAIR
ANDREANECIA M. MORRIS

COMMISSIONERS
DEBRA JOSEPH
CANTRESE WILSON
VONDA RICE (Alternate)

FINANCE & AUDIT

CHAIR
TONI HACKETT ANTRUM

COMMISSIONERS
ALICE RIENER
DEBRA JOSEPH (Alternate)

AGENDA

- I. STATEMENT BY GENERAL COUNSEL
- II. CALL TO ORDER
- III. ROLL CALL
- IV. APPROVAL OF THE AGENDA
- V. APPROVAL OF THE MINUTES OF THE MEETING HELD ON SEPTEMBER 14, 2017
- VI. EXECUTIVE DIRECTOR'S REPORT
- VII. COMMITTEE REPORT(S)
- VIII. ITEMS FOR APPROVAL

AUTHORIZATIONS

- Resolution #2017-19 – Authorization for Guste III Change Orders
- Resolution #2017-20 – Amendment to Winn Dixie Phase I - Predevelopment Loan Agreement
- Resolution #2017-21 - Approval to Exercise Two Additional One Year Options for Contract Number 16-913-46, Janitorial Services at HANO's Central Offices – 2016, with Skye's Janitorial, LLC

- IX. COMMENTS
 - Public Comment(s)
 - Board of Commissioners Comment(s)
- X. ADJOURNMENT



September 26, 2017

MEMORANDUM

**To: Board of Commissioners
President Alice Riener, Vice President Andreanecia M. Morris,
Commissioner Toni Hackett Antrum, Commissioner Donna Johnigan,
Commissioner Debra Joseph, Commissioner Vonda Rice and
Commissioner Cantrese Wilson**

**Through Gregg Fortner
Executive Director**

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

**Re: Guste III Housing Development
Change Order Authorization**

In 2013, the 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 the 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/Contractor missed all of the new 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 developed 5 separate scopes of work to address the completion of the units under 5 separate procurements. The first 2 contracts, which include 22 units, are complete and the majority are occupied. The next 42 units received certificates of occupancy in August 2017 and the process for turning over the units to the property manager for occupancy will begin in October 2017. 49 units in the multi-family building are also expected to be ready at the end of October, and the final 42 units are scheduled to be turned over by the end of November 2017. In order to complete the work and address numerous instances of deficient work from the previous contractor, HANO desires to authorize change orders for the remaining contracts. The proposed change order totals (\$398,331) to date, as illustrated in the table below, is 2.1% of the Base Contract totals. However, based on staff review and monitoring, additional changes are

anticipated in the flurry to complete the units before year end. Therefore, HANO requests that the Board of Commissioners authorize the Executive Director to execute any and all change orders up to 5% of the aggregate contract amount or \$949,468. This authorization would include the \$398,331 in current pending change orders. Below is a summary of contract activity to date:

	Group 1	Group 2	Group 3-4	Group 5-6	Group 7	
Contract #	16-912-34	16-912-55	17-912-02	17-912-11	16-912-62	
Unit Count	10	12	42	42	49	
Notice To Proceed	9/9/2016	12/29/2016	4/10/2017	7/3/2017	4/3/2017	
Turnover to Property Manager	10/26/2016	5/24/2017	Estimated: 9/25-10/13	Estimated: 11/13-12/8	Estimated: 10/16-11/10	
Base Contract	\$ 169,215	\$ 256,700	\$ 1,983,750	\$ 3,499,700	\$ 13,080,000	\$ 18,989,365
Proposed Changes to Date	\$ 21,012	\$ 9,686	\$ 131,873	\$ 28,682	\$ 207,078	\$ 398,331

CERTIFICATIONS

Finance

The Finance Department has certified that the funds are available to complete the project from HANO funds.

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SEPTEMBER 26, 2017**

RESOLUTION NO. 2017-19

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 Parkcrest Builders (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, Contractor failed to perform under the contract and was terminated by HANO on April 10, 2015; and

WHEREAS, HANO notified 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 and Contractor 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 HANO authorized the award of a contract 16-912-34 for the completion of the first 10 units (Group 1) through Resolution #2016-21; and

WHEREAS, the Board of Commissioners of the Housing Authority of HANO authorized the award of a contract 16-912-55 for the completion of the next 12 units (Group 2) through Resolution #2016-35; and

WHEREAS, the Board of Commissioners of the Housing Authority of HANO authorized the award of a contract 16-912-62 for the completion of the next 49 units (Group 7) through Resolution #2017-02; and

WHEREAS, the Board of Commissioners of the Housing Authority of HANO authorized the award of a contract 17-912-02 for the completion of the next 42 units (Group 3-4) through Resolution #2017-03; and

WHEREAS, the Board of Commissioners of the Housing Authority of HANO authorized the award of a contract 17-912-11 for the completion of the final 42 units (Group 5-6) through Resolution #2017-08; and

WHEREAS, the aggregate costs of all 5 contracts, as authorized by the Board of Commissioners, is \$18,989,365; and

WHEREAS, certain changes in the scope of work are necessary to address the previous contractor's substandard work among others; and

WHEREAS, HANO has received pricing that amounts to a 2.1% change to the aggregate contract total in the amount of \$398,331; and

WHEREAS, based on staff review and monitoring, it is anticipated that additional changes in the scope of work will be required to complete all phases of the Project; and

WHEREAS, in order to complete the project by the end of 2017 staff is requesting that the Board of Commissioners hereby authorize additional funding for the above referenced contracts in an amount not to exceed 5% of the base contract totals or \$949,468, which amount includes the current change orders in the amount of \$398,331; and

WHEREAS, the Finance Department has certified there is sufficient funding to provide for a 5% change in the aggregate contract amount; and

THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of New Orleans hereby authorizes the Executive Director to execute any and all change orders necessary to complete the Project not to exceed 5% of the aggregate amount of contracted work or Nine Hundred Forty Nine Four Hundred Sixty Eight Dollars (\$949,468).

Executed this 26th day of September, 2017

APPROVAL:

ALICE RIENER
PRESIDENT, BOARD OF COMMISSIONERS



September 26, 2017

MEMORANDUM

**To: Board of Commissioners
President Alice Riener, Vice President Andreanecia M. Morris,
Commissioner Toni Hackett Antrum, Commissioner Donna Johnigan,
Commissioner Debra Joseph, Commissioner Vonda Rice and
Commissioner Cantrese Wilson**

**Through Gregg Fortner
Executive Director**

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

**Re: Winn Dixie Phase I
Amendment to Predevelopment Loan**

The Housing Authority of New Orleans (HANO) was awarded the Choice Neighborhoods Implementation (CNI) Grant in 2011 to redevelop Iberville, the last traditional standing housing development in the city. Through a Request for Qualifications (RFQ) process, the Iberville Revitalization Company, LLC (IRC), a partnership between Historic Restoration, Inc. (HRI) and McCormack Baron Salazar, Inc. (MBS), was selected as the developer to implement the CNI Transformation Plan. The IRC and HANO have executed the Iberville/Tremé Choice Neighborhoods Initiative Implementation Agreement (Implementation Agreement), which will serve as the governing Master Development Agreement for all components of the CNI Transformation Plan. This document establishes the guiding principles, overarching business terms, and roles and responsibilities of IRC and HANO for the implementation of CNI. The Implementation Agreement was executed by all parties on June 29, 2012.

The Implementation Agreement contemplates that when a rental housing phase is determined to be viable, HANO will provide the Developer a Predevelopment Loan for eligible third-party predevelopment costs for that phase. HANO and MBS parties determined that the Winn Dixie Phase I project was viable and executed a Predevelopment Loan as authorized under Resolution #2016-31 to provide resources for submission of the Low Income Housing Tax Credit (LIHTC) application in an amount not to exceed \$183,269.00.

Winn Dixie Phase I was awarded 9% LIHTCs in September 2017. HANO and MBS have negotiated an amendment to the Predevelopment Loan that will fund eligible third-party costs leading up to the financial closing anticipated in the summer of 2018. Phase I will now consist of 76 total units (up from 65 units), of which 46 will be market rate, and 30 will be public housing CNI replacement units. This phase is estimated to be fully leased by December of 2019. Additional anticipated permanent financing will include Low Income Housing Tax Credit equity, Louisiana Housing Corporation Housing Trust Funds, a private mortgage, and HANO capital funds.

This Amendment to the Predevelopment Loan covers 75% of the U.S. Department of Housing and Urban Development (HUD)-eligible and HANO-approved costs to be incurred for predevelopment costs such as Low Income Housing Tax Credits financing fees, environmental, geotechnical, surveys, building permit fees, appraisals, market studies, and design fees in an amount not to exceed \$990,926.00. The Predevelopment Loan is non-interest bearing and is non-recourse.

Additionally, the Implementation Agreement contemplates that when a rental housing phase is determined to be viable, HANO can provide the Developer a Developer Fee Advance loan for no more than fifteen (15%) of the expected Developer Fee for the applicable Phase calculated for the purposes of the Developer Fee Advance loan at twelve (12%) of the total development cost less reserves and the Developer Fee itself for that phase.

The Amendment to the Predevelopment Loan Agreement with WD Phase I LP (Developer), a Developer Affiliate of IRC, also includes additional funding of the Developer Fee Advance to cover partial reimbursement of overhead costs that will be incurred in connection with the development of Winn Dixie Phase I. The total amount of the Developer Fee Advance in the Amendment shall not exceed \$213,800.00. The Developer Fee Advance is non-interest bearing and is full recourse.

CERTIFICATIONS

Finance

The Finance Department has certified that the HUD Capital Funds and HANO Program Income are budgeted and available for the proposed loans.

The Board of Commissioners is hereby requested to authorize the Executive Director to execute the Amendment to the Predevelopment Loan Agreement Winn Dixie Phase I Development in an amount not to exceed \$1,204,726.00.

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RESOLUTION NO. 2017-20

WHEREAS, the Housing Authority of New Orleans (HANO) and the Iberville Revitalization Company, LLC (IRC), the Master Developer for the Choice Neighborhoods Initiative (CNI), have executed the Iberville/Tremé Choice Neighborhoods Initiative Implementation Agreement (Implementation Agreement), which will serve as the governing Master Development Agreement for all components of the CNI Transformation Plan. This document establishes the guiding principles, overarching business terms, and roles and responsibilities of IRC and HANO for the implementation of CNI; and

WHEREAS, the Implementation Agreement contemplated that when a rental housing phase is determined to be viable, HANO can provide the Developer with a Predevelopment Loan for no more than seventy-five percent (75%) of eligible third-party predevelopment costs for that phase; and

WHEREAS, the WD Phase I Limited Partnership (Developer), a Developer Affiliate of IRC, seeks to redevelop Phase I of the Winn Dixie site (Project), which is located at 1501 St Louis Street, in collaboration with HANO to provide 76 mixed-income rental housing units, including 30 CNI replacement units; and

WHEREAS, a Predevelopment Loan Agreement in the amount of \$183,269.00 was signed in March 2017 under authority of Resolution #2016-31, which covers eligible third-party predevelopment costs such as partnership costs, Low Income Housing Tax Credits application fees, soft costs such as surveys, building permit fees, appraisals, market studies, and design fees incurred up to the award of Low Income Housing Tax Credits; and

WHEREAS, the Project received an allocation of Low Income Housing Tax Credits in September 2017; and

WHEREAS, HANO and the Developer have negotiated an Amendment to the Predevelopment Loan (Amendment), which covers eligible third-party predevelopment costs such as partnership costs, Low Income Housing Tax Credits financing fees, soft costs such as surveys, building permit fees, appraisals, market studies, and design fees incurred up to the financial closing; and

WHEREAS, the Amendment, which represents 75% of the United States Department of Housing and Urban Development (HUD)-eligible and HANO-approved costs to be expected to be incurred by the Developer through financial closing, shall not exceed \$990,926; and

WHEREAS, the Predevelopment Loan is non-interest bearing and is non-recourse; and

WHEREAS, payments under the Predevelopment Loan will only be made to the Developer to reimburse for eligible and third-party predevelopment cost; and

WHEREAS, the Implementation Agreement contemplated that when a rental housing phase is determined to be viable, HANO can provide the Developer with a Developer Fee Advance for no more than fifteen (15%) of the expected Developer Fee for the applicable Phase calculated for the purposes of the Developer Fee Advance at twelve (12%) of the total development cost less reserves and the Developer Fee itself for that phase; and

WHEREAS, the Predevelopment Loan Agreement signed in March 2017 under authority of Resolution #2016-31 included provisions for a Developer Fee Advance in an amount not to exceed \$91,300.00; and

WHEREAS, HANO and the Developer have negotiated an Amendment to the Developer Fee Advance provisions, which covers partial reimbursements of overhead cost that will be incurred in connection with the development of the Project through financial closing; and

WHEREAS, the additional amount of the Developer Fee Advance included in the Amendment shall not exceed \$213,800.00 and will be advanced per the Predevelopment Agreement; and

WHEREAS, the Developer Fee Advance is non-interest bearing and is full recourse; and

WHEREAS, the Finance Department has certified that the entire Amendment amount, not to exceed \$1,204,726.00, is budgeted and HUD Capital Funds and HANO Program Income funds are available; and

THEREFORE BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of New Orleans authorizes the Executive Director to execute the Iberville/Tremé Choice Neighborhood Initiative Amendment to the Predevelopment Loan Agreement Winn Dixie Phase I Development in an amount not to exceed \$1,204,726.00.

Executed this 26th day of September, 2017

APPROVAL:

ALICE RIENER
PRESIDENT, BOARD OF COMMISSIONERS



September 26, 2017

MEMORANDUM

**To: Board of Commissioners
President Alice Riener, Vice President Andreanecia M. Morris,
Commissioner Toni Hackett Antrum, Commissioner Donna Johnigan,
Commissioner Debra Joseph, Commissioner Vonda Rice and
Commissioner Cantrese Wilson**

**Through Gregg Fortner
Executive Director**

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

**Re: Approval of Two One Year Options for Contract No. 16-913-46, Janitorial
Services at HANO's Central Offices with Skye's Janitorial, LLC**

On September 8, 2016, the Housing Authority of New Orleans (HANO) issued Request for Quotes #16-913-46 for Janitorial Services at HANO Central Office. HANO received 9 quotes on September 22, 2016. The lowest responsible responsive bidder was Skye's Janitorial, LLC, who is also a DBE and WBE. On September 29, 2016, HANO entered into Contract No. 16-913-46 for Janitorial Services at HANO's Central Office with Skye's Janitorial, LLC for an initial period of one year, in the amount of \$101,939.64.

The scope of the contract includes providing all supervision, labor, equipment, cleaning and maintenance supplies to provide janitorial services and cleaning of HANO's Central Office buildings. In the initial contract year, Skye's Janitorial, LLC has provided high quality routine and special request janitorial services, and at a substantial cost savings to HANO from previous contracts. In the initial contract year alone, HANO saved \$43,484, and will save an additional \$86,968 over the next two years.

The Finance Department has certified that the funds for this first contract extension is budgeted and available in the FY2018 Budget.

We ask the Board of Commissioners of the Housing Authority of New Orleans to approve the extension of contract No. 16-913-46, Janitorial Services at HANO's Central Office with Skye's Janitorial, LLC for two additional one-year periods, in an amount not to exceed \$203,880, and to authorize the Executive Director to execute any and all documents necessary to effectuate the contract.

**HOUSING AUTHORITY OF NEW ORLEANS
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REGULAR MEETING
SEPTEMBER 26, 2017**

RESOLUTION NO. 2017-21

WHEREAS, the Housing Authority of New Orleans (HANO) issued Request for Quotes #16-913-46 for Janitorial Services at HANO Central Office on September 8, 2016; and

WHEREAS, the lowest responsible responsive bidder was Skye's Janitorial, LLC, a DBE and WBE; and

WHEREAS, HANO awarded contract No. 16-913-46, Janitorial Services at HANO Central Office to Skye's Janitorial, LLC for an initial period of one year, in the amount of \$101,939.64, an annual savings of \$43,484 from HANO's previous janitorial contract; and

WHEREAS, contract No. 16-913-46 has an option to extend the contract term for two additional one-year periods, if contractor has satisfactorily performed under the contract; and

WHEREAS, Skye's Janitorial, LLC has provided a high level of routine and special request janitorial services, has been responsive to all requests, and has improved the level of janitorial services at HANO's Central Office over previous contractors.

BE IT THEREFORE RESOLVED, that the Board of Commissioners of the Housing Authority of New Orleans hereby approves the extension of Contract No. 16-913-46, Janitorial Services at HANO's Central Office, with Skye's Janitorial, LLC for two additional one-year periods, in an amount not to exceed \$203,880, and to authorize the Executive Director to execute any and all documents necessary to effectuate the contract.

Executed this 26th day of September, 2017

APPROVAL:

**ALICE RIENER
PRESIDENT, BOARD OF COMMISSIONERS**