



**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
OCTOBER 29, 2019**

RESOLUTION NO. 2019-24

WHEREAS, in 2013, the Housing Authority of New Orleans ("HANO") entered into a contract with Parkcrest Builders, LLC ("Parkcrest") to construct 52 new housing units at HANO's Florida site, and 155 new housing units at HANO's Guste III site; and

WHEREAS, the expected completion date for the construction at both the Florida and Guste III sites was in 2015; and

WHEREAS, Parkcrest did not complete either the 52 Florida units or the 155 Guste III units in 2015, and HANO determined Parkcrest's work at both sites to be deficient; and

WHEREAS, HANO terminated Parkcrest's contract at both sites in 2015 because the work was delayed and deficient; and

WHEREAS, Liberty Mutual Insurance Company ("Liberty Mutual") held the surety bond for Parkcrest at both sites, and therefore, when HANO terminated Parkcrest, it looked to Liberty Mutual to complete the contract as the surety; and

WHEREAS, over HANO's objection, Liberty Mutual brought Parkcrest back to both sites to complete the work; and

WHEREAS, after Liberty Mutual brought Parkcrest back to both sites after termination, Parkcrest's work at both sites continued to be deficient; and

WHEREAS, Parkcrest and Liberty Mutual sued HANO in 2015 in regard to both projects; and

WHEREAS, in 2016, Parkcrest and Liberty Mutual abandoned both sites and HANO employed other contractors to complete the construction at both the Florida and Guste III sites; and

WHEREAS, in the lawsuit related to the construction at the Florida site, a February 2018 trial resulted in a judgment against HANO that is currently being appealed by HANO; and

WHEREAS, in the lawsuit related to the construction at the Guste III site, arbitration has been scheduled and continued several times so that the current date for the arbitration hearing is May 5, 2020; and

WHEREAS, HANO will incur additional litigation expenses in both the lawsuit related to the construction at the Florida site and the lawsuit related to the construction at the Guste III site; and

authorizes the Executive Director of HANO to sign and submit a SEMAP Certification for submission to HUD in accordance with 24 CFR 985.101 that establishes HANO as a High Performer if additional research and review performed by HANO shows that HANO's SEMAP score will establish HANO as a High Performer.

Executed this 5th day of November, 2019.

APPROVAL:

A handwritten signature in black ink, appearing to read 'C. Pealer', written over a horizontal line.

CASIUS PEALER
PRESIDENT, BOARD OF COMMISSIONERS