



**Board of Commissioners
Regular Meeting**

**Helen W. Lang Memorial Boardroom
Building B
4100 Touro Street
New Orleans, LA 70122**

AGENDA

**Tuesday, February 11, 2014
10:30 a.m.**



**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING**

You are hereby notified that the **Board of Commissioners of the Housing Authority of New Orleans** will meet in **Regular Session** in the **Helen W. Lang Memorial Boardroom of the Authority** located at **4100 Touro Street, Building B – First Floor** in the **City of New Orleans, Louisiana 70122** at **10:30 a.m.** on the **11th day of February, 2014.**

David Gilmore, Chairman
Board of Commissioners

Cc: Hon. Mitch Landrieu, Mayor, City of New Orleans
Members of the City Council of New Orleans
Resident Council Presidents
Southeast Louisiana Legal Services – Housing Law Unit
The Times-Picayune
Louisiana Weekly

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
HELEN W. LANG MEMORIAL BOARDROOM
BUILDING B
4100 TOURO STREET
NEW ORLEANS, LA 70122
FEBRUARY 11, 2014
10:30 A.M.**

AGENDA

I. STATEMENT BY LEGAL COUNSEL

"In accordance with the Louisiana Constitution Article XII, Section 3 and LSA-R.S. 42:4.1 -13 the Board of Commissioners Meeting for the Housing Authority of New Orleans is hereby convened. As established in Sections 5 and 7 of R.S. 42 this meeting is open to the general public and notice of today's meeting as well as a copy of the Agenda have been provided and made available to the public prior to this meeting being called to order. Please adhere to the protocol as established and stated in the Agenda."

II. CALL TO ORDER

**III. APPROVAL OF THE MINUTES OF THE REGULAR MEETING HELD ON
JANUARY 14, 2014.**

IV. PUBLIC COMMENT

V. ITEMS FOR APPROVAL

AUTHORIZATION(S)

Resolution #2014-02 - authorizes the Administrative Receiver or his designee to implement the amended policies and procedures of HANO's HCVP Administrative Plan as attached to permit the application of a consumption-based energy efficient utility allowance using an independently calculated Energy Consumption Model. These allowances will be applied to properties built to green energy efficient standards and assisted by the Housing Choice Voucher Program in LIHTC properties. **TAB 1**

Resolution #2014-03 - authorizes the Administrative Receiver to execute the Iberville/Tremé Choice Neighborhood Initiative Predevelopment Developer Fee Advance Loan Agreement for Phase Three On-site with On Iberville Phase III, LLC in an amount not to exceed \$417,476. **TAB 2**

Resolution #2014-04 - authorizes the Administrative Receiver to execute the Iberville/Tremé Choice Neighborhood Initiative Predevelopment Loan Agreement – Iberville On-Site Phase III Development with On Iberville Phase III, LLC in an amount not to exceed \$999,465. **TAB 3**

**AGENDA FOR THE BOARD OF COMMISSIONERS REGULAR MEETING
FEBRUARY 11, 2014**

Resolution #2014-05 - authorizes the Administrative Receiver to execute the Iberville/Tremé Choice Neighborhood Initiative Additional Services Agreement Number 6 for Public Infrastructure Work for the Iberville Development. **TAB 4**

RATIFICATION(S)

Resolution #2014-06 - ratifies the Administrative Receiver's previous action binding coverage prior to the expiration of the policies for 2013-2014, and hereby authorizes HANO to pay Marsh USA, Inc., in the total amount of \$1,054,713. **TAB 5**

WALK ON(S)

VI. ADJOURNMENT



Board of Commissioners

Regular Meeting

Protocol

4100 Touro Street, Building B
New Orleans, Louisiana 70122

Revised: July 2008

The following shall be the Protocol used for all Board Meetings conducted by the Board of Commissioners for the Housing Authority of New Orleans.

- ❖ All meetings shall be called to order at 10:00 am
- ❖ The Board Chair, Executive Administrator, General Counsel and Executive Secretary must be present at all meetings.
- ❖ The Board of Commissioners meetings are open to the general public; however, no children are allowed.
- ❖ All visitors attending the meeting must be dressed in proper attire: shoes and shirt must be worn and no hats allowed.

At all times during the meeting, visitors must adhere to following rules

- All cell phones must be turned off
- No cameras or video equipment (except media)
- No pictures may be taken while the board meeting is in session (except media)

If a visitor wishes to speak on an agenda item they must:

- Present a comment card to the executive secretary and wait until the Executive Administrator announces their name to speak at the podium
 - Comments must relate to the agenda items for which a comment card was submitted
 - All comments are limited to 3 minutes only
 - Transferring of minutes to other visitors is not allowed
 - Once your comment is made you are not allowed a rebuttal if the Board Chairman or HANO representative provides feedback to your initial comment
- ❖ The aforementioned rules shall also apply to the Public Comment Period
 - ❖ Any requests for transcripts of the board meeting must be submitted in writing to the Executive Secretary

If at any time during the meeting the Board Chair deems any visitor's behavior to be disruptive to the orderly conduct of the meeting, that visitor shall be asked to leave the meeting or shall be escorted away from the premises.



January 18, 2005

BOARD MEETING

Public Comment Rules

The following Rules were enacted by HANO Board Resolutions #96-32 and #96-48 and concern "Public Comment" at HANO Board Meetings. These rules will be enforced. Copies of these resolutions are available upon request and are briefly summarized as follows:

1. Each person wishing to comment must first sign in on the form provided no later than the beginning of the "Items for Approval" section of the agenda.
2. Speakers must note which item they wish to discuss on the Public Comment Card.
3. Each speaker has a maximum of 3 minutes to speak on the agenda item and during the public comment period. This may be extended by the Chair if warranted.
4. The Chair may limit cumulative testimony.
5. Behavior which disrupts the meeting, as determined by the Chair, may result in ejection from the meeting.

**HOUSING AUTHORITY OF NEW ORLEANS
MINUTES OF THE BOARD OF COMMISSIONERS
REGULAR MEETING
JANUARY 14, 2014**

The Board of Commissioners of the Housing Authority of New Orleans met in Regular Session in the Helen W. Lang Board Room of the Authority located at 4100 Touro Street, Building B in the City of New Orleans, Louisiana 70122 at 10:30 a.m. on the 14th day of January, 2014.

The Agenda for this meeting is attached.

PRESENT

David Gilmore, Board of Commissioners
Robert Barbor, General Counsel

HANO STAFF

Leslie Dews
Maggie Merrill
Robert Anderson
Sieglinde Chambliss
Dawn Domengeaux
Arthur Waller
Desiree Andrepont
Lesley Thomas
Allan Rivera
Shelly Smith
Mitchel Dussett
Raymond Allen
Kelly Loisel
Larry Barabino
Issachar Nichols
Tomeka B. Jackson

RESIDENTS

Paula Taylor, IDRC
Dianne Conerly, Florida RC
Mary Aples, BW Cooper RMC
Constance Haynes, Fischer
Kim Piper, Iberville RC
Deborah Collins, BW Cooper RMC
Theophilus Moore, BW Cooper
Tanya Norwood, BW Cooper
Valerie Brooks, BW Cooper/MC
Claudette Warren, BW Cooper RMC
Daufinette Martin
Valerie Brooks
Vedra Tyson, Iberville

OTHERS

Terri North, Providence
Claudette Russell
Derrick Francis, City of New Orleans
VanShawn Branch, Advocacy Center
Toni Hackett
Renee Lapeyrolerie, CDM SMITH

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS FOR JANUARY 14, 2014

I. CALL TO ORDER

The Board of Commissioners regular meeting was called to order by David Gilmore, HANO's Board of Commissioners at 10:38 a.m.

II. STATEMENT BY LEGAL COUNSEL

"In accordance with the Louisiana Constitution Article XII, Section 3 and LSA-R.S. 42:11-28 the Board of Commissioners Meeting for the Housing Authority of New Orleans is hereby convened. As established in Sections 14 and 19 of R.S. 42 this meeting is open to the general public and notice of today's meeting as well as a copy of the Agenda have been provided and made available to the public prior to this meeting being called to order. Please adhere to the protocol as established and stated in the Agenda."

III. APPROVAL OF THE MINUTES OF THE REGULAR BOARD MEETING HELD ON DECEMBER 17, 2013.

Mr. Gilmore APPROVED the Minutes of the Regular Meeting held on December 17, 2013.

IV. PUBLIC COMMENT

Claudette Russell: (Ms. Russell handed a copy of an insurance claim form to the Board) I just wanted you to know that D. Jarred, he has an office at City Hall. Mitch Landrieu is running for re-election. I have a problem with the city and the housing. D. Jarred, Law Department, Housing Unit; I was appointed to write to him and tell him about the problem that occurred with the hurricane. He said he doesn't have anything to do with that. Then I forwarded another letter to Mitch Landrieu, and I don't hear nothing. But this problem is with the City.

Mr. Gilmore: What kind of claim is it?

Ms. Russell: It's a city tree that fell from the sidewalk. Remember that?

Mr. Gilmore: Oh, yes, I remember.

Russell: It fell on my mother's house in Hurricane Isaac and damaged her house. You can see it from the outside. I spoke with Mr. Jarred on the phone. Do I wait for another storm to hit it again?

Mr. Gilmore: I wouldn't do that. I think we had some conversation about this last time, and I mentioned to you that one option that you do have, is to get yourself a private attorney.

Russell: Well you did give me a Ms. Williams in City Hall. She said she doesn't have anything to do with that.

Mr. Gilmore: Well I don't remember that for sure. But you always as a citizen have the right to hire an attorney if you think you've been done a wrong, and to bring some sort of a lawsuit against the person or organizations that you think did the wrong. You might want to contact an attorney, who can give you better advice after reviewing this case, than we can. We certainly can't represent you. We don't have any role to play in any of this. But a lawyer can certainly advise you or your rights.

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS FOR JANUARY 14, 2014

Russell: Do they have free lawyers?

Mr. Gilmore: Yes. There are, but I don't think Legal Aid handles civil actions. But there are some attorneys who take these kinds of cases on a contingency basis, which means they don't take a fee unless they win. And then when they win, they get a part of the Judgment. That's all I can tell you is to get yourself a private attorney. One way to assure that your rights are respected is to have a consultation with an attorney. Sometimes an attorney will do a consultation with you at no charge before they take the case, and tell you whether you have much of a case.

Vedra Tyson: I'm a resident from the Iberville relocation. I moved into a unit on September 9th, that is not livable. It failed inspection. No heat. It's freezing in the unit. They gave me a 24 hour inspection. They called me yesterday and asked me when can I leave the unit that I'm in. I have nowhere to go, no money to pay deposit, to pay no one to move me.

Mr. Gilmore: Ok. Slow down. We don't want you to get upset. Take it easy. First, right off the bat, we're going to fix this. If you were relocated from Iberville, your relocation is our responsibility. Did you hear what I just said clearly? Ok. Take a deep breath. We're going to fix this. When everything is all said and done, you're going to be Okay. Alright.

Tyson: I've been coming every Thursday to see my case manager. So her supervisor, Tanya Jones, got involved. But she talks to me like a child. I tried to tell her my problem. She called me this morning, just nasty. And I'm just trying to let them know the way that I'm living. I'm not trying to be a problem, just asking them to please help me. The days they had the freeze in the house, it was so cold. I have electric heaters that people have loaned me, water boiling on the stove. I've been coming every Thursday, trying to see someone to get some help.

Mr. Gilmore: Do you have kids?

Tyson: None.

Mr. Gilmore: You're there by yourself? First of all are you okay if I ask you a question or two?

Tyson: Yes.

Mr. Gilmore: Did you move into this place on a Section 8 Voucher?

Tyson: Yes.

Mr. Gilmore: But it failed inspection? How is it that they let you move into this place if it failed inspection?

Tyson: I moved in September 9th, and it failed inspection November 25th and been failing ever since.

Mr. Gilmore: Alright. You have no heat?

Tyson: I'm boiling water

Mr. Gilmore: That's dangerous. Do you have another place you want to go to?

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS FOR JANUARY 14, 2014

Tyson: Since she told me I have to find another place, I told her I was going to just put my stuff in storage.

Mr. Gilmore: No, no, no. Don't do that. Listen. Did you have a relocation-worker from HANO?

Tyson: They came, took pictures of the boiling water on the stove

Mr. Gilmore: Who's the relocation-worker that worked with you?

Tyson: Mr. Mike. But Ms. Shannon came from Relocation. She took pictures and said it's no way I'm supposed to be living like this. She took my paper-work, but still nobody

Mr. Gilmore: Okay. When you were first at Iberville, did you get a relocation-worker?

Tyson: Mr. Michael. But the person who helped me find a house was Ms. Iris, I think it was.

Mr. Gilmore: Have those people been back to see you since then?

Tyson: Not Mr. Michael or Ms. Iris.

Mr. Gilmore: Mr. Waller, where are you? That's Mr. Waller, who the Director of the Section 8 Program. There are relocation workers who are still here in this building. So they are going to get to the bottom of all this. But here is what's going to happen; Mr. Waller, we're going to inspect this place this morning, right now. The unit you moved in to was supposed to pass inspection before they put you in it. One of the things I'm going to ask, is to get a report before the day is out, about why she was moved. If she was moved into a unit that did not pass inspection, how did that happen. I want that information from both our folks, as well as the Urban Relocation Services people. The second thing is, if we need to move Ms. Tyson out of there today, get our movers to put her stuff in storage, and put her in a hotel until we find her another place to live. Got that? At no cost to you, other than the fact that you've already been through the ringer, Ms. Tyson. You won't have to come up with any money, any deposit. Because it was not proper for you to be there, that's our responsibility. And we're going to take care of it. Mr. Waller will report back to my office this afternoon, and you follow up with me.

Dolfinette Martin: First, I need to clear up some misconceptions Mr. Gilmore. Myself, Ms. Brooks and Ms. Noble, the residents, we came together with a Petition concerning the handling of the lead poisoning settlement, and some rumors were going around that we were petitioning HANO. Not true. As I said before, HANO's insurance paid the money. You did your part. We were just concerned with how the case was handled. As far as distributing the money, HANO has done its part. Also, there were a lot of calls to Cooper. But we as residents decided that we need to stand and fight together concerning this. The biggest issue was that we contacted the lawyers and were told that they couldn't get in touch with you, couldn't find you

Mr. Gilmore: Oh, I remember this.

Martin: I have over 27,474 signatures generated from Thursday, January the 9th up until yesterday. Today there is a line of some-300 people looking for us to sign this petition on Earhart. Which proves, if we could find this many people to sign the petition, they could have found us, too. Again, I want to be clear, we are not petitioning HANO. We are petitioning the handling of the case.

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS FOR JANUARY 14, 2014

Mr. Gilmore: Nevertheless, we are a Defendant in this case and we have some interest in a fair and equitable outcome, even if we've paid our money. This is the lead paint case? Billieson case? Right. So, let me ask a couple of questions. Is it that, in the distribution of the funds, you didn't get a share because they couldn't find you?

Martin: One of the claims was that people couldn't be found. Other claims were, myself, I can say, we didn't get the paper-work, or we lost the application, or just story-after-story, since Thursday. Which, myself and a lot of the residents feel, it's a bunch of BS. There's no way you send me paper-work, I send it back and you tell me you lost it, or you didn't receive it. If you are representing me as a claimant, I feel every effort should have been put forth to serve me. Those monies were distributed to those people that were exposed, affected, visited or whatever. Not one story we heard from the people that came out to sign this petition was different.

Mr. Gilmore: What I'm trying to get at is, what's the consequence? What happened to you and all these other folks as a result

Martin: We were pushed to the side, left out. All of these people and ourselves; we didn't get any compensation.

Mr. Gilmore: You got no share of the proceeds?

Martin: None. Most of us didn't get a letter stating that you either you got our application or didn't get our application.

Mr. Gilmore: The other part of the compensation was to have been 200 vouchers made available. Does that mean you wouldn't be able to get any one of those vouchers, as well

Martin: When I called Bruno and Bruno's office, you don't even get that far into the conversation. Case closed; nothing you can do about it.

Mr. Gilmore: I got an inquiry from the Senator's office not very long ago. I wish I could remember who it that was asking about this. But I have to confess at that point, that I didn't pay much attention to it, because I kind of sloughed it off. Because, I figured, like you did, we've fulfilled our responsibilities. But I'm not so sure that's really true. What these folks need to do, it seems to me anyway, is get an audience with the Judge.

Martin: That's what we want.

Mr. Gilmore: Can we intercede on their behalf and ask for the Judge or Special Masters to hear them?

Robert Barbor, General Counsel: The Plaintiff's Steering Committee met and discussed whether they were going take any extraordinary steps to reach out to additional people that might be affected by the lead paint situation. They decided they were not going to do that. That was after the settlement had been completed by HANO, so we really weren't involved in those discussions, but

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS FOR JANUARY 14, 2014

Mr. Gilmore: Let me just interject here. I think what these ladies are saying is that extraordinary measures, you can understand. But all they are saying is that the lawyers, or the court needed to do was to contact us, to get these addresses, and they didn't do that.

Mr. Gilmore: That seems to me, hardly comes under the heading of "extraordinary measures." Wouldn't you agree?

Martin: Right. These people were generated by a post on Facebook and Instagram.

Mr. Gilmore: Well, let me just say this to you. The final judgment as to whether or not the lawyers acted properly or improperly, notwithstanding, because I can't make that judgment. Is there something we can do to get these folks a hearing before the Masters or the court?

Robert Barbor, General Counsel: I think, given our posture, if we can present this information to the Special Masters...

Mr. Gilmore: I got an idea. We haven't given out any of the vouchers. We haven't had any to give. The court has been pressing us, a little bit, to free up some vouchers to give out to some of the members of the Class, in the Billieson case. I'm on the verge of doing that. But I think that I'm prepared to say to the judge, in exchange for freeing up these vouchers, which, by the way, we are no longer under any legal obligation to do, but in exchange for doing it voluntarily, the judge has to hear these complaints. We've got a little bit of leverage; and I don't mind using it. They're going to have to make their case. I can't make their case for them, because I don't have any standing here. But it does seem to me that we are still involved in the case, and we haven't satisfied the case yet. And it's still an open issue for us. We still have some obligation to see that these folks get treated fairly and equitably. Do we know how to reach you guys? We were represented, in this case, by an outside law firm, Rodney & Etter. The Judge has been asking our outside firm about making these vouchers available. I'm asking Bob Barbor to go back to Rodney & Etter, and say to them; to have Rodney & Etter represent the fact that some members of the class have been coming to complain to HANO that an inadequate effort was made to reach out to them. They could have easily been found if the attorneys had used HANO information, and they didn't do it. And I want you guys to have an opportunity, formally or otherwise, either to meet with the Judge, informally in Chambers, or have a formal hearing, to determine whether the attorneys representing the Class acted properly and sufficiently in this case. Then, the rest is up to you, ladies. That's the final authority in this case. There's nothing much more I can do, beyond that. Mr. Barbor needs to know how to reach you to tell you the results.

Martin: Also, I'm trying to put together an empowerment assessment to give to our young ladies, of Cooper and other sites, to come together and come up with some type of job training.

Mr. Gilmore: Ms. Johnigan said to me, Every time we talk about Section 3 and think about try to implement Section 3, it always turns on issues of construction. No offense, but there are a lot of women who either A have no interest in construction, or B have family obligations which would prevent them from getting involved in these construction activities. The training ought to be more diversified. We recognize that most of our residents are women. So we are, in fact, going to start to take a look at that, as an issue, to make our training activities more diversified. I was told, this morning in Cabinet, when the classes begin HANO Academy in February; in the first class they were going to concentrate on construction initially, and the second class, start to incorporate more activities amenable or attractive, for women. But they're telling me, this

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS FOR JANUARY 14, 2014

morning, they are going to move that up and get some of the activities to the first group, and not wait for the second group. If you're interested in getting into HANO Academy, Dawn in the back of the room, Director of Client Services. They're still looking for enrollees, for the HANO Academy classes that are supposed to start in February. So talk to her before you go. It's going to initially open up at Harmony Oaks, but we are looking for a permanent headquarters. There are going to be some other benefits that we go along, for example, paid bus passes for transportation for people to get back and forth to the training center. It's not only limited to public housing residents. It's intended to be for folks that need job training to become employable.

Martin: We also while we out doing the petition, we registered some people to vote. That was something else that we are passionate about because our voices count. We don't want it to become political but we do need those people to know that their voices count. We feel that one registration is a success.

Mr. Gilmore: I think you are wise to link the two things. Because, in the minds eye of so many, poor people in public housing, don't vote in great number. Sometimes they don't get the kind of attention they deserve as human beings, never mind who they are. But if you go out and vote, you become a voting power, and I think you are much better off. But, Ms. Johnigan, Dolfinette, you make sure you hook up with Dawn, so you can make sure that the interest of the women of public housing is represented in all this stuff.

Mr. Gilmore: Okay, well that's it for today.

V. ITEMS FOR APPROVAL

AUTHORIZATION(S)

Resolution #2014-01 - to approve the disposition activity proposed herein to authorize the Administrator Receiver to submit the appropriate amendment to the Scattered Sites LA01025805 disposition approval to HUD.

Mr. Gilmore APPROVED Resolution #2014-01 to approve the disposition activity proposed herein to authorize the Administrator Receiver to submit the appropriate amendment to the Scattered Sites LA01025805 disposition approval to HUD.

VI. ADJOURNMENT

There being no further business to come before the Board of Commissioners of the Housing Authority of New Orleans (HANO) for attention, Mr. Gilmore **ADJOURNED** the Regular Meeting at 11:22 a.m.

APPROVED:

**DAVID GILMORE
ADMINISTRATIVE RECEIVER
CHAIRMAN, BOARD OF COMMISSIONERS**

**HOUSING AUTHORITY OF NEW ORLEANS
MINUTES OF THE BOARD OF COMMISSIONERS
REGULAR MEETING
FEBRUARY 11, 2014**

The Board of Commissioners of the Housing Authority of New Orleans met in Regular Session in the Helen W. Lang Board Room of the Authority located at 4100 Touro Street, Building B in the City of New Orleans, Louisiana 70122 at 10:30 a.m. on the 11th day of February, 2014.

The Agenda for this meeting is attached.

PRESENT

David Gilmore, Board of Commissioners
Robert Barbor, General Counsel

HANO STAFF

Leslie Dews
Maggie Merrill
Keith Pettigrew
Robert Anderson
Sieglinde Chambliss
Dawn Domengeaux
Arthur Waller
Lesley Thomas
Allan Rivera
Shelly Smith
Mitchel Dussett
Raymond Allen
Audrey Plessy
Larry Barabino
Alan Lindenlaub
Jennifer Adams
Issachar Nichols
Tomeka B. Jackson

RESIDENTS

Dianne Conerly, Florida RC
Mary Aples, BW Cooper RMC
Constance Haynes, Fischer
Deborah Collins, BW Cooper RMC
Theophilus Moore, BW Cooper
Claudette Warren, BW Cooper RMC
Donna Johnigan, BW Cooper/MC
Shavonda Aples, Tenant/Landlord
Daniel Wright, Marrero Commons
Davonte Turner, BW Cooper Marrero Commons
Earl Dickson, Marrero Commons

OTHERS

Terri North, Providence
R. Mahello, CYP Properties
VanShawn Branch, Advocacy Center
George Mahdi, Neighborhood Unity and Merge
Bridget Kelly, Land Trust for Louisiana
Taikai Bush Williams, NOAMM
Donald Valee

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS FOR FEBRUARY 11, 2014

I. CALL TO ORDER

The Board of Commissioners regular meeting was called to order by David Gilmore, HANO's Board of Commissioners at 10:35 a.m.

II. STATEMENT BY LEGAL COUNSEL

"In accordance with the Louisiana Constitution Article XII, Section 3 and LSA-R.S. 42:4.1 -13 the Board of Commissioners Meeting for the Housing Authority of New Orleans is hereby convened. As established in Sections 5 and 7 of R.S. 42 this meeting is open to the general public and notice of today's meeting as well as a copy of the Agenda have been provided and made available to the public prior to this meeting being called to order. Please adhere to the protocol as established and stated in the Agenda."

III. APPROVAL OF THE MINUTES OF THE REGULAR BOARD MEETING HELD ON JANUARY 14, 2014.

Mr. Gilmore **APPROVED** the Minutes of the Regular Meeting held on January 14, 2014.

IV. PUBLIC COMMENT

Shavonda Aples: I am a tenant who was relocated from B.W. Cooper. I found a house at 2718 New York Street. I've been having numerous problems with my landlord. He failed the inspection for the house, just recently, and he plans to evict me. He decided to bring me a hand-written notice.

Mr. Gilmore: He can't evict you. If the basis for him attempting to do so that it failed inspection; he's can't evict you? That's the law. When did you move?

Ms. Aples: I haven't moved out of the house yet. He wants me gone at the end of the month.

Mr. Gilmore: Stay where you are for the time being. Unless the situation is so horrendous for you that you can't stay there.

Ms. Aples: I'm in the process of trying to get another house now.

Mr. Gilmore: When did you move in to this place?

Ms. Aples: I was relocated March 30th of last year.

Mr. Gilmore: So this is the annual re-inspection?

Ms. Aples: Yes, that he failed

Mr. Gilmore: Did it pass when you first moved there?

Ms. Aples: The inspection is not until the 18th. It did pass, but the heater wasn't working and the air-conditioner wasn't working and they had a problem with roaches.

Mr. Gilmore: But it passed the first time?

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS FOR FEBRUARY 11, 2014

Ms. Aples: Yes, it did. When I started having problems, I called to talk to him. So he decided the roaches were my problem.

Mr. Gilmore: Did you bring them with you from B.W. Cooper?

Ms. Aples: I did not have roaches at B.W. Cooper.

Mr. Gilmore: I don't understand how he could have passed the inspection a year ago. Did you have heat this winter?

Ms. Aples: No. The heater didn't get fixed until yesterday.

Mr. Gilmore: Do you have kids?

Ms. Aples: Yes, I have a son. He's 16.

Mr. Gilmore: Did you have air-conditioning this past summer?

Ms. Aples: Not at first. I had to call HANO to speak to him. He said 'It's your problem.' When I called him to tell him about the air-conditioning, he had an attitude with me. So I came to HANO and talked with my case worker. She got the inspector to come back out.

Mr. Gilmore: What's the landlord's name?

Ms. Aples: His name is F.C. Harnberger.

Mr. Gilmore: Do we know if Mr. Harnberger has any other units in the Section 8 Program?

Ms. Aples: I think he does. But I'm not sure.

Mr. Gilmore: Mr. Harnberger is going to rue the day. First of all, he can't evict you while there are violations in the house. The law doesn't let him. Just because he gives you a piece of paper that says he wants you to move, doesn't mean you're evicted. You can't be evicted until a court says you're evicted.

Ms. Aples: I told him I had a problem with the neighbor and the grass being cut. And he came to my house, barging in. He tried to open my door with the next-door neighbor, and he threatened, "I'm gonna throw you out. I'm gonna evict you." I told him, "You need to file papers in court, and I'll see you in 90 days."

Mr. Gilmore: Okay, here's what we're going to do. Can you stay in that house right now? Is it livable?

Ms. Aples: Yes. But I'm in the process of packing my belongings.

Mr. Gilmore: Because he told you, that you had to move?

Ms. Aples: Yes. He doesn't want to re-sign the lease.

Mr. Gilmore: When is your lease over?

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS FOR FEBRUARY 11, 2014

Ms. Aples: I think it's this month. The month of February.

Mr. Gilmore: That may be a different matter.

Ms. Aples: So if the lease was signed in March, it's still February?

Mr. Gilmore: He presumably has to give you 30 days notice of his intent not to re-lease the unit to you.

Ms. Aples: That's what he did. He came and pushed his way into my house and gives me this letter.

Mr. Gilmore: He needs to understand if won't re-lease to you, he's not going to re-lease to anybody else on the program, so he's going to withdraw his unit from the Section 8 Program. He can go find another tenant someplace else. So, Mr. Waller, we need to get this lady another unit someplace. She needs to be relocated. Mr. Harnberger needs to be told that he cannot evict her. She's entitled to stay there until the day her lease expires. But in the interim, we're going to have to figure out how to get her moved someplace else. However, at the same time, I want to know whether Mr. Harnberger owns any other units enrolled in the Section 8 Program. And however many they are, they are all going to be inspected today. Every single one of them. Okay? Will you get a report to me?

Daniel Wright: We came this morning because we want to know what kind of programs you all have for us after school, on the weekends. Sports is over, so we really don't have nothing after school. We don't want to just sit around the apartment complex.

Mr. Gilmore: Where do you live?

Mr. Wright: In the Calliope project/ Marrero Commons. So we just wanted to see if y'all could help us with programs or jobs or stuff like that; something to do after school.

My name is Davonte Turner.

My name is Earl Dickson.

Mr. Gilmore: You all live at Marrero Commons? Dawn, you want to sit with these dudes and see what you can figure out? I'm going to read between the lines here. This is not what they said, but I think it's what they were thinking. And if I'm not representing you well, then you tell me. But I think that what they are saying to us is...They look like athletes to me. You play football? There you go. Nobody plays basketball? You do? Baseball? There you go. I think what they are trying to tell us is that they are trying their damndest to stay out of trouble. And I appreciate the fact that they have come here and asked for some help, rather than creating a ruckus. Then we have to come in a fix a mess. Much kudos to you. Would you sit with these 4 guys and figure out what we can do? There's got to be something. That's Dawn Domengeaux, by the way. She's the Director of Client Services. I'm sure you know Donna Johnigan. Thank you, guys. I appreciate you coming. Is there anything else I can do for you? Let's figure it out together. Congratulations.

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS FOR FEBRUARY 11, 2014

Theophilus Moore: Senior Officer, Voices of Experience. We mentor these youth. We need them to come themselves to let you know the need in the community. We're trying to lead them onto the right path. So we need support and resources. We are depending on where we live at to try to make things better.

Mr. Gilmore: We'll see what we can do. I appreciate it.

Mr. Moore: Alright. Thank you.

Mr. Gilmore: Thank you.

George Madhi: Neighborhood Unity and Merge. In understanding what happened with the landlord a little while ago. What is the procedure when the landlord wants to terminate the lease or dissolve the property in that situation? I did not that that exist that they can terminate the lease to get another property?

Mr. Gilmore: It's not that they're terminating the lease. The lease is expiring. It runs for a year. They do have a right not to renew it, if that's their choice. But this situation is complicated by the fact that the apartment didn't pass inspection. So there is no way that landlord is going to re-lease that unit to us, to a tenant through the Section 8 Program until those violations are corrected. One way or another, he's going to have to correct those violations. My attitude is, he may as well correct them for this lady if she likes the place. But, that's his call.

George Madhi.: In an instance where the landlord may have an ulterior motive, maybe looking for greener pastures in terms of leasing. Might be subject to a certain area and he wants a better area. That seems to be the situation.

Mr. Gilmore: Unfortunately, the law is on his side in this instance. The law allows him, as long as he gives the proper notice, he doesn't have to renew the lease if he doesn't wish to. So, even if he has other reasons for wanting the apartment back; maybe he thinks he can get more money for it on the private market, or whatever the case may be, he's got a legal right not to renew the lease. There isn't anything you or I or anybody can do about it. But, the lady is still entitled to service because she has a voucher and she can use her voucher someplace else in that case. It's our job is to help her figure that out. But what I don't like about this is that it smacks of retaliation of some sort. That's why I'm inspecting all this dude's units.

Mr. George: Well, those types of things have been happening over the years. I think you've been doing an incredible job in terms of trying to straighten it up.

Mr. Gilmore: I have to give most of the landlords credit for being on the up and up. There are going to be some guys that try to manipulate the system. Everybody has experience with folks like that. You realize we have what? 8,562 landlords. When you think about, that's a phenomenal number in a city of this size. And most of those guys abide by the rules, they treat their tenants decently. There are a handful that don't. Like the proverbial 'bad apple in the barrel'. It gives the rest of them a bad name. I do have to say that; you know, we wouldn't have any housing if it weren't for the landlords that do it right, and do it well. So we'll deal with the ones that step out of line, but I do want to give credit to the ones who do it right and do it well. Thank you, George. Good to see you.

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS FOR FEBRUARY 11, 2014

Ms. Donna Johnigan: I just wanted to say, that the 4 young men that came, it's about 8 of them. That's the Youth Group from Marrero Commons, B.W. Cooper. Those are the ones that could get out of school because they tested. The others, they wanted to come, but based on some of the schools that they go to, they didn't let them out. That's the youth group that works with Voices of Experience. At one of their meetings the other day they were talking about jobs and that sports is almost over. They don't want to get caught up in the system. I was me that said that I'm going to bring you somewhere, I can't guarantee you anything. But, when ya'll speak for yourselves and let people know what ya'll want to do, there are people who are willing to help you. None of them have been in the system. None of them have gotten into any trouble yet. That's the purpose of trying to do something positive with them with life skills training.

Mr. Gilmore: Here's what I'm thinking. Seems to me we can probably kill 2 birds with 1 stone here. I'm thinking that these 4; eight of them all together. If they're looking for jobs and I think that what makes sense is to figure out some type of after-school-kind-of-work for them. I hope they are all over 16. The second bird is to put them to work in the community doing some good things, maybe working with some younger kids, getting the younger kids involved in some activities, at Marrero Commons. Ten bucks an hour might sweeten the kiddie. Make a suggestion at the meeting (*referring to the meeting with the 4 young men & Dawn Domengeaux*) that we should put them to work teaching computers, or other things, to kids in the neighborhood. It's not unlike what we did at Iberville.

V. ITEMS FOR APPROVAL

AUTHORIZATION(S)

Resolution #2014-02 – to authorize the Administrative Receiver or his designee to implement the amended policies and procedures of HANO's HCVP Administrative Plan as attached to permit the application of a consumption-based energy efficient utility allowance using an independently calculated Energy Consumption Model. These allowances will be applied to properties built to green energy efficient standards and assisted by the Housing Choice Voucher Program in Low Income Housing Tax Credit (LIHTC) properties.

Mr. Gilmore DENIED Resolution #2014-02 to authorize the Administrative Receiver or his designee to implement the amended policies and procedures of HANO's HCVP Administrative Plan as attached to permit the application of a consumption-based energy efficient utility allowance using an independently calculated Energy Consumption Model. These allowances will be applied to properties built to green energy efficient standards and assisted by the Housing Choice Voucher Program in Low Income Housing Tax Credit (LIHTC) properties

Resolution #2014-03 – to authorize the Administrative Receiver to execute the Iberville/Tremé Choice Neighborhood Initiative Predevelopment Developer Fee Advance Loan Agreement for Phase Three On-site with On Iberville Phase III, LLC in an amount not to exceed \$417,476.

Mr. Gilmore TABLED Resolution #2014-03 to authorize the Administrative Receiver to execute the Iberville/Tremé Choice Neighborhood Initiative Predevelopment Developer Fee Advance Loan Agreement for Phase Three On-site with On Iberville Phase III, LLC in an amount not to exceed \$417,476.

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
FOR FEBRUARY 11, 2014**

Resolution #2014-04 – to authorize the Administrative Receiver to execute the Iberville/Tremé Choice Neighborhood Initiative Predevelopment Loan Agreement – Iberville On-Site Phase III Development with On Iberville Phase III, LLC in an amount not to exceed \$999,465.

Mr. Gilmore TABLED Resolution #2014-04 to authorize the Administrative Receiver to execute the Iberville/Tremé Choice Neighborhood Initiative Predevelopment Loan Agreement – Iberville On-Site Phase III Development with On Iberville Phase III, LLC in an amount not to exceed \$999,465.

Resolution #2014-05 – to authorize the Administrative Receiver to execute the Iberville/Tremé Choice Neighborhood Initiative Additional Services Agreement Number 6 for Public Infrastructure Work for the Iberville Development.

Mr. Gilmore TABLED Resolution #2014-05 to authorize the Administrative Receiver to execute the Iberville/Tremé Choice Neighborhood Initiative Additional Services Agreement Number 6 for Public Infrastructure Work for the Iberville Development.

RATIFICATION

Resolution #2014-06 – to ratify the Administrative Receiver’s previous action binding coverage prior to the expiration of the policies for 2013-2014, and hereby authorizes HANO to pay Marsh USA, Inc., in the total amount of \$1,054,713.

Mr. Gilmore APPROVED Resolution #2014-06 to ratify the Administrative Receiver’s previous action binding coverage prior to the expiration of the policies for 2013-2014, and hereby authorizes HANO to pay Marsh USA, Inc., in the total amount of \$1,054,713.

VI. ADJOURNMENT

There being no further business to come before the Board of Commissioners of the Housing Authority of New Orleans (HANO) for attention, Mr. Gilmore **ADJOURNED** the Regular Meeting at 11:22 a.m.

APPROVED:

**DAVID GILMORE
ADMINISTRATIVE RECEIVER
CHAIRMAN, BOARD OF COMMISSIONERS**



February 11, 2014

MEMORANDUM

**To: David Gilmore
Administrative Receiver
Chairman, Board of Commissioners**

**From: Arthur N. Waller
Director, Housing Choice Voucher Program**

Re: Amendment to the HCVP Administrative Plan – Utility Allowances

This amendment to the Administrative Plan of the Housing Authority of New Orleans (HANO) Section 8 Housing Choice Voucher Program (HCVP) will permit tenant-based or project-based HCVP participants living in units assisted with Low Income Housing Tax Credits (LIHTC) to be credited with the same utility allowance as non-HCVP residents by using the energy efficiency-based utility allowance generated through independent energy consumption modeling. This gives a much more accurate reading of energy consumption for residents of the energy-efficient units that are assisted by LIHTC's, and provides consistent utility allowances to identical units within the same project.

Currently, Project-Based Voucher (PBV) projects assisted with Low Income Housing Tax Credits are required to utilize the same utility allowance that has been developed for tenant-based Housing Choice Voucher participants. However, recent HUD guidelines in the development community have advocated "Green" construction and expanded incentives to developers of projects with energy efficient improvements.

Owners of LIHTC developments have undertaken the challenges and expenses of "Green" construction and created units that are held to a higher standard for energy efficiency. In accordance with IRS Regulations, the Louisiana Housing Corporation provides an option which allows developers to use utility allowances based on an Energy Consumption Model calculated by a properly licensed engineer or qualified professional. Residents of LIHTC-assisted units reap the benefits of a highly efficient thermal environment that results in a significantly lower utility cost per month. In turn, they receive a utility allowance that more closely reflects true usage costs instead of the inflated standard utility allowance adopted by most Public Housing Agencies, including HANO.

In LIHTC projects layered with PBV assistance, the PBV units must use the HANO utility allowance while LIHTC-only assisted units benefit from the energy efficiency-based utility allowance. This results in significantly different utility allowances for residents living in the same property with the same number of bedrooms, bathrooms, and amenities.

This amendment would permit HANO to apply the same energy efficiency-based utility allowance to PBV or HCV-assisted units as units assisted exclusively with LIHTC's, thus ensuring accuracy and fairness to all residents.

This amendment is applicable to tenant-based and project-based Housing Choice Voucher Program (HCVP) assistance.

Your approval of the amendment to adopt an energy efficiency-based utility allowance option for units assisted in LIHTC properties through the tenant-base or project-based HCVP Program is hereby requested.

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
FEBRUARY 11, 2014**

RESOLUTION NO. 2014-02

WHEREAS, the Housing Authority of New Orleans (HANO) administers a Housing Choice Voucher Program (HCVP); and

WHEREAS, families participating in the Housing Choice Voucher Program that are responsible for paying the cost of tenant-provided utilities receive a utility allowance; and

WHEREAS, the utility allowance schedule must be determined based on the typical cost of utilities and services paid by households that occupy housing of similar size and type in the same locality, and in developing the schedule, HANO must use normal patterns of consumption for the community as a whole and current utility rates; and

WHEREAS, it is the responsibility of HANO to review and, if applicable, update the utility allowance annually and maintain information supporting its annual review of utility allowances and any revisions made in its utility allowance schedule; and

WHEREAS, units assisted in properties with Low Income Housing Tax Credits (LIHTC) built to green standards may utilize a consumption-based energy efficient utility allowance based on an Energy Consumption Model calculated by a properly licensed engineer or qualified professional; and

WHEREAS, HANO has not adopted a consumption-based energy efficient utility allowance; and

WHEREAS, HANO is interested in applying the same utility allowance to HCVP families assisted in LIHTC assisted properties; and

WHEREAS, HANO proposes amending the HCVP Administrative Plan to facilitate the application of consumption-based energy efficient utility allowances to LIHTC assisted units that are rented to participants of both the tenant-based and project-based Housing Choice Voucher Program

Resolution No. 2014-02
February 11, 2014
Page 2

THEREFORE, BE IT RESOLVED, that Board of Commissioners of the Housing Authority hereby authorizes the Administrative Receiver or his designee to implement the amended policies and procedures of HANO's HCVP Administrative Plan as attached to permit the application of a consumption-based energy efficient utility allowance using an independently calculated Energy Consumption Model. These allowances will be applied to properties built to green energy efficient standards and assisted by the Housing Choice Voucher Program in LIHTC properties.

Executed this 11th day of February, 2014

APPROVAL:

DAVID GILMORE
ADMINISTRATIVE RECEIVER
CHAIRMAN, BOARD OF COMMISSIONERS

UTILITY ALLOWANCE FOR ENERGY EFFICIENT PROJECTS RECEIVING LOW INCOME HOUSING TAX CREDITS

Under the Housing Choice Voucher program, HANO recognizes and adopts the use of project specific utility allowances that have been approved for use in qualified Low Income Housing Tax Credit (LIHTC) projects, provided that the utility allowances for the project are:

- (i) Developed pursuant to regulations prescribed by the Internal Revenue Service (IRS) and any requirements set by the Louisiana Housing Corporation (LHC);
- (ii) Calculated using procedures recognized by the LHC; and
- (iv) Reviewed and updated pursuant to IRS and LHC requirements and compliance procedures to reflect changes in energy tariffs.

Background

Utility allowances for the HCV program and LIHTC program are established through different processes. The result is that the utility allowances for HCV participants vary substantially from the utility allowances approved by LHC for non-voucher units even though the building characteristics for the residential units are the same.

Additionally, the methods used to set utility allowances for the HCV program do not consider new construction standards and practices or the above-code energy efficiency investments commonly made by developers of LHC-funded Tax Credit projects. As a result, the utility allowances set by public housing authorities do not accurately reflect the lower energy consumption and costs associated with LIHTC projects. It is commonly understood among affordable housing organizations that the overstatement of energy consumption and costs adversely affects the property's ability to cover added investment costs for high efficiency measures and may also affect the underlying cash flow and financial stability of the property.

This disparity was formally recognized by the IRS and resulted in an amendment to its regulations governing utility allowances, § 1.42-10. On July 29, 2008, the IRS issued a Final Notice permitting use of alternative approaches for estimating tenant utility costs including the use of utility allowance estimates set by state housing finance agencies, use of HUD's Utility Schedule Model, or use of an Energy Consumption Model.

Following issuance of the IRS rule, the LHC began authorizing use of independent Energy Consumption model estimates to calculate utility allowances for individual projects. The utility cost estimates calculated through this modeling more accurately reflect utility consumption than the standard allowances used by HANO for the HCV Program.

Justification

Using Independent energy modeling for individual projects provides a well documented, objective, and sound analytical basis for estimating tenant utility costs and setting utility allowances in LIHTC properties. The process requires the use of energy professionals known as Home Energy Rating System (HERS) raters in making utility estimates and has sufficient safeguards and checks in place to ensure that utility allowances are properly calculated and reasonable. Compliance procedures ensure that utility allowances, once set under the LIHTC program, will be reviewed on an ongoing basis and updated to reflect changes in utility costs.

Adopting utility allowances generated using energy consumption model estimates will not result in additional HANO project administration costs.

Review of Process for Setting Utility Allowances Under Low Income Housing Tax Credit Program and Potential Utilization for Housing Choice Vouchers Used in Qualified Tax Credit Properties

Under the LIHTC program, applicants for LIHTCs must estimate the monthly income and expenses for proposed projects. As part of the calculation, applicants need to provide an estimate of tenant utility costs. A utility allowance is set based on what a reasonable energy consuming household consumes, which is the same standard used for HUD programs.

In tax credit projects, the gross rent for the unit is reduced by the utility allowance. This is consistent with the approach used in HUD programs to determine the amount of rent the tenant pays the property owner.

Until recently, the most common source of the utility cost estimates has been Public Housing Authority (PHA) utility allowance schedules. This changed in 2008 with the issuance of the amended regulation by the IRS. The underlying reason for amending the IRS' regulation is that PHA utility allowances based on older buildings are inaccurate and overstate utility costs for newer tax credit properties built to higher energy efficiency standards and with lower energy consumption.

Since utility allowances for the HCV program are set independently from the LIHTC program, when a household using a voucher moves into a Tax Credit project, a different utility allowance is used, which results in different utility allowances being applied to units in the same building with the same characteristics affecting energy consumption. In some cases this results in different utility allowances for identical units on either side of a duplex. To correct this disparity, HANO should consider a modification to its Administrative Plan to allow for the use of consumption-based utility allowances in properties built to energy efficient standards.

Assessment of Utility Costs Estimates Using an Energy Consumption Model

IRS Rules allow independent energy consultants, working for affordable housing developers, to establish a more accurate estimate of what tenants will pay for utilities, taking into account the energy affecting features of the proposed building, the photovoltaic (PV) system designed for it, and the applicable tariff/utility rate. This modeling is used with:

1. New construction projects in the design phase (brand new, never previously used buildings);
2. Newly constructed projects placed in service during or after 2009 that meet Title 24, Part 6 standards (2008 edition); and on a case-by-case basis subject to discretion of LHFA's Executive Director
3. Substantial Rehabilitation or adaptive reuse projects that involve rebuilding a project to Title 24, Part 6 standards.

Appropriate use of Energy Consumption Modeling requires verifying what is actually built, as opposed to what had been proposed, so that a project is accurately modeled.

Energy analysts investigate and confirm the relevant energy efficiency measures which are actually used in construction of the project, once the project has been completed, and model the units and building(s) as built. These relevant energy efficiency measures include any components, materials, systems, etc. that impact the building's energy efficiency, including but not limited to the building envelope, heating systems, cooling systems, domestic hot water systems, and installed lighting systems.

Assessment of Owner/Developer Requirements

In order to qualify for the use of a project-specific utility allowance, developers must meet certain requirements and must be awarded LIHTCs or other LHC funds for income restricted projects. These requirements apply whether the applicant is seeking, or has already been awarded, competitive 9% tax credits, or credits used in conjunction with tax exempt bond financing, or "ARRA Funding"- Tax Credit Exchange Program (Section 1602) funds, Tax Credit Assistance Program (TCAP) funds, or other state or federal funds.

Project specific energy consumption models will be completed by an independent third party and will be at the expense of the developer. The consultant will be a certified Home Energy Rating System (HERS) Rater or a Louisiana licensed mechanical engineer, architect, or electrical engineer.

A list of CEPEs with current residential certifications is available at:

http://dnr.louisiana.gov/assets/TAD/programs/residential/hero/Active_HERO_Raters_20120904.pdf

All estimates will include a report, signed by the qualified professional energy analyst certifying the following:

- Date the estimate was prepared and the name of project the estimate was prepared for.
- Name, address and phone number of the analyst who prepared and certified to the accuracy of the estimate. (NOTE: The preparer and certifying analyst must be the same person).
- Proof of the energy analyst's qualifications, including a current Louisiana Home Energy Rating Systems (HERS) certification number.
- A statement that the analyst and the owner of the project, the project applicant, and the project's principals (general partners, members, etc.), are not related parties as defined by TCAC Regulation 10302(g) and the Internal Revenue Code section 267(b) and 707(b).
- A statement that an average of utility usage by unit type (1br, 2br, etc.) for the project was derived using individual unit estimates or by a sampling of individual units if the estimate for the project was derived using such methods. Sampling rate at a minimum rate of 1:8 units
- A statement that the estimate is based solely on the professional building energy modeling and analysis completed by the qualified professional building analyst who signed the estimate.
- A copy of the completed tariff eligibility analysis done.

Additional Requirements for Projects Recently Placed In Service

Energy analysts who are submitting an estimate for a newly completed project must confirm the energy efficiency measures of the project's units and buildings. The energy analyst will confirm the data used in completing the estimate is accurate, including all relevant energy efficiency measures. If unable to confirm the energy efficiency measures actually used in the completed units and building(s), the analyst will use conservative default assumptions needed to meet the minimum requirements under the appropriate standards.

The analyst also must identify the utility providers, confirm that the appropriate tariff was used in the estimate, confirm building orientation, and determine the building's unit mix, apartment features and unit floor plan layout. This process will be done through direct observation (including field testing or sampling at a minimum rate of 1:8 units), official documentation, or reliable third-party resources.

All estimates will include a report, certifying to all of the items listed above, as well as the following additional items:

- Explanation of any testing or sampling done to confirm the constructed units and/or building(s) features.
- A list of all third-party resources used to confirm the constructed buildings features, including copies of the building permits and the name and phone

number of any HERS rater(s) who conducted review(s) of the project's units and /or building(s).

- Copies of any documentation relied upon to confirm the energy efficiency measures used in the modeling of the constructed units and/or building(s).
- Copies of any completed residential compliance forms for the project's units and/or building(s) that were completed at the design phase and upon final construction.
- A list and justification of any conservative default assumptions that were used by the energy analyst in the event the energy analyst was unable to independently confirm the building(s) energy efficiency measures.

Schedule

For a Tax Credit project, and most other affordable housing projects, the estimate will need to be produced or reproduced at multiple points in the life of a project.

1. At the point of initial application. This should be the "draft" version of the energy efficiency-based utility allowance.
2. At lease-up, so that tenants are appropriately charged for rent. This should be the "final" locked-in-place version of the energy efficiency-based utility allowance and represent the project "as built" as opposed to "as proposed." This estimate may or may not be the same as the draft version depending upon whether or not changes were made during the course of construction or rehabilitation of the project. This or a later "annual update" version of the utility allowance is also the utility allowance that should be sent to the LHC as part of any placed-in-service package.
3. The "final" version of the energy efficiency-based utility allowance should be updated periodically throughout the compliance period. This updating simply involves having the energy analyst reproduce the utility allowance using the latest version of LDNR lookup tables, which will contain the most up-to-date version of the utility company rates. This will bring the utility allowance up-to-date.

Updating Project-Specific Utility Allowance

The owner/developer is required to update the schedule of utility allowances at least annually, and must revise the schedule if there has been a change of 10 percent or more in any utility tariff/rate since the last time the allowance for that utility was revised.

The energy efficiency-based utility allowance update shall be conducted no later than the project's anniversary of its earliest Placed-In-Service date, or annually upon the tenant's lease renewal.

Under the proposal, the owner/developer must provide HANO the information supporting its annual review of the utility allowance and any revisions made in its utility

allowance schedule. HANO shall retain this information with all other utility allowance update data.

Insert the following text (underlined) Chapter 14: Payment Standards and Utility Allowances and in Chapter 22: Project-Based Vouchers

1) Chapter 14 will be amended to include:

UTILITY ALLOWANCES

24 CFR 982.517

A HANO-established utility allowance schedule is used in determining family share and HANO subsidy. HANO will maintain a utility allowance schedule for (1) all tenant-paid utilities, (2) the cost of tenant-supplied refrigerators and ranges, and (3) other tenant-paid housing services such as trash collection.

The utility allowance schedule will be determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. In developing the schedule, HANO will use normal patterns of consumption for the community as a whole, and current utility rates.

Reasonable Accommodation

HANO may approve a utility allowance amount higher than shown on HANO's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability.

APPLICATION OF UTILITY ALLOWANCES

24 CFR 982.517(d), HCV GB, p. 12-5

At lease-up, HANO will apply the utility allowance in effect on the effective date of the lease-up.

At regular reexamination, HANO will apply the utility allowance in effect on the effective date of the reexamination.

At interim reexamination, HANO will apply the utility allowance in effect on the effective date of the interim reexamination.

The family share of the rent and HAP calculations must reflect any changes in the family's utility arrangement with the owner, or in HANO's utility allowance schedule.

When there are changes in the utility arrangement with the owner, HANO will use the utility allowances in effect at the time the new lease and HAP contract are executed.

Revised utility allowances will be applied to a family's rent and subsidy calculations at the first annual reexamination after the allowance is adopted.

SINGLE ROOM OCCUPANCY UTILITY ALLOWANCES

The utility allowance for an assisted person residing in SRO housing is 75 percent of the zero bedroom utility allowance.

UTILITY ALLOWANCE FOR ENERGY EFFICIENT PROJECTS RECEIVING LOW INCOME HOUSING TAX CREDITS

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- (i) Developed pursuant to regulations prescribed by the Internal Revenue Service (IRS) and any requirements set by the Louisiana Housing Corporation (LHC);
- (ii) Calculated using procedures recognized by the LHC; and
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Background

Utility allowances for the HCV program and LIHTC program are established through different processes. The result is that the utility allowances for HCV participants substantially vary from the utility allowances approved by LHC for non-voucher units even though the building characteristics for the residential units are the same.

Additionally, the methods used to set utility allowances for the HCV program do not consider new construction standards and practices or the above-code energy efficiency investments commonly made by developers of LHC-funded Tax Credit projects. As a result, the utility allowances set by public housing authorities do not accurately reflect the lower energy consumption and costs associated with LIHTC projects. It is commonly understood among affordable housing organizations that the overstatement of energy consumption and costs adversely affects the property's ability to cover added investment costs for high efficiency measures and may also affect the underlying cash flow and financial stability of the property.

This disparity was formally recognized by the IRS and resulted in an amendment to its regulations governing utility allowances, § 1.42-10. On July 29, 2008, the IRS issued a Final Notice permitting use of alternative approaches for estimating tenant utility costs including the use of utility allowance estimates set by state housing finance agencies, use of HUD's Utility Schedule Model, or use of an Energy Consumption Model.

Following issuance of the IRS rule, the LHC began authorizing use of independent Energy Consumption model estimates to calculate utility allowances for individual projects. The utility cost estimates calculated through this modeling more accurately reflect utility consumption than the standard allowances used by HANO for the HCV Program.

Justification

Using Independent energy modeling for individual projects provides a well documented, objective, and sound analytical basis for estimating tenant utility costs and setting utility allowances in LIHTC properties.

The process requires the use of energy professionals known as Home Energy Rating System (HERS) raters in making utility estimates and has sufficient safeguards and checks in place to ensure that utility allowances are properly calculated and reasonable. Compliance procedures ensure that utility allowances, once set under the LIHTC program, will be reviewed on an ongoing basis and updated to reflect changes in utility costs.

Adopting utility allowances generated using energy consumption model estimates will not result in additional HANO project administration costs.

Review of Process for Setting Utility Allowances Under Low Income Housing Tax Credit Program and Potential Utilization for Housing Choice Vouchers Used in Qualified Tax Credit Properties

Under the LIHTC program, applicants for LIHTCs must estimate the monthly income and expenses for proposed projects. As part of the calculation, applicants need to provide an estimate of tenant utility costs. A utility allowance is set based on what a reasonable energy consuming household consumes, which is the same standard used for HUD programs.

In tax credit projects, the gross rent for the unit is reduced by the utility allowance. This is consistent with the approach used in HUD programs to determine the amount of rent the tenant pays the property owner.

Until recently, the most common source of the utility cost estimates has been Public Housing Authority (PHA) utility allowance schedules. This changed in 2008 with the issuance of the amended regulation by the IRS. The underlying reason for amending the IRS' regulation is that PHA utility allowances based on older buildings are inaccurate and overstate utility costs for newer tax credit properties built to higher energy efficiency standards and with lower energy consumption.

Since utility allowances for the HCV program are set independently from the LIHTC program, when a household using a voucher moves into a Tax Credit project, a different

utility allowance is used, which results in different utility allowances being applied to units in the same building with the same characteristics affecting energy consumption. In some cases this results in different utility allowances for identical units on either side of a duplex. To correct this disparity, the HANO has sought and obtained HUD approval to use the utility allowances approved for the LIHTC program.

Assessment of Utility Costs Estimates Using an Energy Consumption Model

IRS Rules allow independent energy consultants, working for affordable housing developers, to establish a more accurate estimate of what tenants will pay for utilities, taking into account the energy affecting features of the proposed building, the photovoltaic (PV) system designed for it, and the applicable tariff/utility rate. This modeling is used with:

1. New construction projects in the design phase (brand new, never previously used buildings);
2. Newly constructed projects placed in service during or after 2009 that meet Title 24, Part 6 standards (2008 edition); and on a case-by-case basis subject to discretion of LHFA's Executive Director
3. Substantial Rehabilitation or adaptive reuse projects that involve rebuilding a project to Title 24, Part 6 standards.

Appropriate use of Energy Consumption Modeling requires verifying what is actually built, as opposed to what had been proposed, so that a project is accurately modeled.

Energy analysts investigate and confirm the relevant energy efficiency measures which are actually used in construction of the project, once the project has been completed, and model the units and building(s) as built. These relevant energy efficiency measures include any components, materials, systems, etc. that impact the building's energy efficiency, including but not limited to the building envelope, heating systems, cooling systems, domestic hot water systems, and installed lighting systems.

Assessment of Owner/Developer Requirements

In order to qualify for the use of a project-specific utility allowance, developers must meet certain requirements and must be awarded LIHTCs or other LHC funds for income restricted projects. These requirements apply whether the applicant is seeking, or has already been awarded, competitive 9% tax credits, or credits used in conjunction with tax exempt bond financing, or "ARRA Funding" Tax Credit Exchange Program (Section 1602) funds, Tax Credit Assistance Program (TCAP) funds, or other state or federal funds.

Project specific energy consumption models will be completed by an independent third party and will be at the expense of the developer. The consultant will be a certified

Home Energy Rating System (HERS) Rater or a Louisiana licensed mechanical engineer, architect, or electrical engineer.

A list of CEPEs with current residential certifications is available at:

[http://dnr.louisiana.gov/assets/TAD/programs/residential/hero/Active HERO Raters 20120904.pdf](http://dnr.louisiana.gov/assets/TAD/programs/residential/hero/Active%20HERO%20Raters%20120904.pdf)

All estimates will include a report, signed by the qualified professional energy analyst certifying the following:

- Date the estimate was prepared and the name of project the estimate was prepared for.
- Name, address and phone number of the analyst who prepared and certified to the accuracy of the estimate. (NOTE: The preparer and certifying analyst must be the same person).
- Proof of the energy analyst's qualifications, including a current Louisiana Home Energy Rating Systems (HERS) certification number.
- A statement that the analyst and the owner of the project, the project applicant, and the project's principals (general partners, members, etc.), are not related parties as defined by TCAC Regulation 10302(g) and the Internal Revenue Code section 267(b) and 707(b).
- A statement that an average of utility usage by unit type (1br, 2br, etc.) for the project was derived using individual unit estimates or by a sampling of individual units if the estimate for the project was derived using such methods. Sampling rate at a minimum rate of 1:8 units
- A statement that the estimate is based solely on the professional building energy modeling and analysis completed by the qualified professional building analyst who signed the estimate.
- A copy of the completed tariff eligibility analysis done.

Additional Requirements for Projects Recently Placed In Service

Energy analysts who are submitting an estimate for a newly completed project must confirm the energy efficiency measures of the project's units and buildings. The energy analyst will confirm the data used in completing the estimate is accurate, including all relevant energy efficiency measures. If unable to confirm the energy efficiency measures actually used in the completed units and building(s), the analyst will use conservative default assumptions needed to meet the minimum requirements under the appropriate standards.

The analyst also must identify the utility providers, confirm that the appropriate tariff was used in the estimate, confirm building orientation, and determine the building's unit mix, apartment features and unit floor plan layout. This process will be done through direct

observation (including field testing or sampling at a minimum rate of 1:8 units), official documentation, or reliable third _____ -party resources.

All estimates will include a report, certifying to all of the items listed above, as well as the following additional items:

- Explanation of any testing or sampling done to confirm the constructed units and/or building(s) features.
- A list of all third-party resources used to confirm the constructed buildings features, including copies of the building permits and the name and phone number of any HERS rater(s) who conducted review(s) of the project's units and /or building(s).
- Copies of any documentation relied upon to confirm the energy efficiency measures used in the modeling of the constructed units and/or building(s).
- Copies of any completed residential compliance forms for the project's units and/or building(s) that were completed at the design phase and upon final construction.
- A list and justification of any conservative default assumptions that were used by the energy analyst in the event the energy analyst was unable to independently confirm the building(s) energy efficiency measures.

Schedule

For a Tax Credit project, and most other affordable housing projects, the estimate will need to be produced or reproduced at multiple points in the life of a project.

1. At the point of initial application. This should be the "draft" version of the energy efficiency-based utility allowance.
2. At lease-up, so that tenants are appropriately charged for rent. This should be the "final" locked-in-place version of the energy efficiency-based utility allowance and represent the project "as built" as opposed to "as proposed." This estimate may or may not be the same as the draft version depending upon whether or not changes were made during the course of construction or rehabilitation of the project. This or a later "annual update" version of the utility allowance is also the utility allowance that should be sent to the LHC as part of any placed-in-service package.
3. The "final" version of the energy efficiency-based utility allowance should be updated periodically throughout the compliance period. This updating simply involves having the energy analyst reproduce the utility allowance using the latest version of LDNR lookup tables, which will contain the most up-to-date version of the utility company rates. This will bring the utility allowance up-to-date.

Updating Project-Specific Utility Allowance

The owner/developer is required to update the schedule of utility allowances at least annually, and must revise the schedule if there has been a change of 10 percent or more in any utility tariff/rate since the last time the allowance for that utility was revised.

The energy efficiency-based utility allowance update shall be conducted no later than the project's anniversary of its earliest Placed-In-Service date, or annually upon the tenant's lease renewal.

Under the proposal, the owner/developer must provide the HANO the information supporting its annual review of the utility allowance and any revisions made in its utility allowance schedule. The HANO shall retain this information with all other utility allowance update data.

2) Chapter 22 will be amended to include the following underlined text

Exception Payment Standards and Utility Allowances

24 CFR 983.301(f)

When determining the initial rent to owner, HANO will use the most recently established payment standard and the utility allowance schedule in effect at execution of the HAP contract. Any subsequent changes in rent will adhere to current rent reasonableness standards and the utility allowance schedule in effect.

Any HUD-approved exception payment standard amount under the tenant-based voucher program also applies to the project-based voucher program. HUD will not approve a different exception payment standard amount for use in the PBV program. (Chapter 22: Project-Based Voucher Programs Page 211, eff. 10-01-11)

The same utility allowance schedule applies to both the tenant-based and project-based voucher programs except as noted below:

For eligible units where the owner is participating in the Low Income Housing Tax Credit Program (LIHTC) and utilizing a utility allowance that has been created using an Energy Consumption Model Estimate, PBV assisted units may utilize the RESNET energy efficiency-based utility allowance applicable to that property.



February 11, 2014

MEMORANDUM

**To: David Gilmore
Administrative Receiver
Chairman, Board of Commissioners**

**From: Desiree Andrepont
Director, Real Estate Planning and Development**

**Maggie Merrill
Senior Advisor to the Administrative Receiver**

Re: Iberville Phase III On-site Developer Fee Advance Loan Agreement

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. 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 Developer Fee Advance Loan for no more than fifteen percent (15%) of the expected Developer Fee for the applicable Phase, calculated for the purposes of the Developer Fee Advance Loan at twelve percent (12%) of total development costs less any costs not includable in accordance with Cost Central and Safe Harbor Standards for Rental Mixed-Finance Development. A Developer Fee Advance Loan Agreement has been negotiated with On Iberville Phase III, LLC (“Developer”), a Developer Affiliate of IRC, for Iberville Phase III On-site, which consists of a portion of Block J and two (2) historical buildings on Block G. Approximately 106 mixed-income rental housing units are included in Phase III.

This Developer Fee Advance Loan will be used by the Developer as partial reimbursement of overhead costs that have been or will be incurred in connection with development of Iberville Phase III On-site. The total amount of the loan shall not exceed \$417,476. The loan is non-interest bearing, is full recourse, and repayment of the loan is due on December 31, 2015 or at closing, whichever occurs earlier.

The Board of Commissioners is hereby requested to authorize the Administrative Receiver to execute the Iberville/Tremé Choice Neighborhood Initiative Developer Fee Advance Loan

Agreement for Phase Three On-site with On Iberville Phase III, LLC in an amount not to exceed \$417,476.

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
FEBRUARY 11, 2014**

RESOLUTION NO. 2014-03

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 will provide the Developer a Developer Fee Advance Loan for no more than fifteen percent (15%) of the expected Developer Fee for the applicable Phase, calculated for the purposes of the Developer Fee Advance Loan at twelve percent (12%) of total development costs less reserves and the Developer Fee itself for that phase and any other excludable costs; and

WHEREAS, the IRC seeks to redevelop Iberville Phase III On-site, which consists of a portion of Block J and two (2) historical buildings on Block G, in collaboration with HANO to provide approximately 106 mixed-income rental housing units; and

WHEREAS, HANO has negotiated a Developer Fee Advance Loan Agreement with On Iberville Phase III, LLC (“Developer”), a Developer Affiliate of IRC, for Iberville Phase III On-site which covers partial reimbursement of overhead costs that have been or will be incurred in connection with development of Iberville Phase III On-site; and

WHEREAS, the total amount of the Developer Fee Advance Loan shall not exceed \$417,476 for Iberville Phase III On-site, and upon approval by HUD, will be advanced per the Developer Fee Advance Loan Agreement; and

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

WHEREAS, the entire principal amount of the Developer Fee Advance Loan shall mature and be due and payable upon the maturity date of December 31, 2015 or at closing, whichever is earlier

Resolution No. 2014-03
February 11, 2014
Page 2

THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of New Orleans authorizes the Administrative Receiver to execute the Iberville/Tremé Choice Neighborhood Initiative Predevelopment Developer Fee Advance Loan Agreement for Phase Three On-site with On Iberville Phase III, LLC in an amount not to exceed \$417,476.

Executed this 11th day of February, 2014

APPROVAL:

DAVID GILMORE
ADMINISTRATIVE RECEIVER
CHAIRMAN, BOARD OF COMMISSIONERS



February 11, 2014

MEMORANDUM

**To: David Gilmore
Administrative Receiver
Chairman, Board of Commissioners**

**From: Desiree Andrepont
Director, Real Estate Planning and Development**

**Maggie Merrill
Senior Advisor to the Administrative Receiver**

Re: Iberville Phase III On-site Predevelopment Loan Agreement for Third-Party Costs

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. 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 no more than seventy-five percent (75%) of eligible third-party predevelopment costs for that phase. A Predevelopment Loan Agreement has been negotiated with On Iberville Phase III, LLC (“Developer”), a Developer Affiliate of IRC, for Iberville Phase III On-site, which consists of a portion of Block J and two (2) historical buildings on Block G. Approximately 106 mixed-income rental housing units are included in Phase III.

This Predevelopment Loan 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 and market studies, and construction costs including design fees and structural/civil engineering. HANO’s portion of predevelopment costs, which represents seventy-five percent (75%) of the HUD-eligible and HANO-approved costs incurred by the Developer prior to closing, shall not exceed \$999,465. Payments under this agreement will only be made to the Developer to reimburse for eligible and approved third-party predevelopment

costs. The entire principal amount of the Predevelopment Loan shall mature and be due and payable upon the maturity date of December 31, 2015 or at closing, whichever is earlier.

IRC received an allocation of Low Income Housing Tax Credits in 2013 for this third phase of Iberville, and must meet expenditure and placed-in-service deadlines in order to retain those credits and the associated equity which are critical to the project. These predevelopment activities are necessary to move the Iberville on-site redevelopment forward, and are contemplated in the Implementation Agreement. It is critical that this Predevelopment Loan Agreement is executed as soon as possible to keep the project on schedule.

The Board of Commissioners is hereby requested to authorize the Administrative Receiver to execute the Iberville/Tremé Choice Neighborhood Initiative Predevelopment Loan Agreement – Iberville On-Site Phase III Development with On Iberville Phase III, LLC in an amount not to exceed \$999,465.

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
FEBRUARY 11, 2014**

RESOLUTION NO. 2014-04

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 will provide the Developer a Predevelopment Loan for no more than seventy-five percent (75%) of eligible third party predevelopment costs for that phase; and

WHEREAS, the IRC seeks to redevelop Iberville Phase III On-site, which consists of a portion of Block J and two (2) historical buildings on Block G, in collaboration with HANO to provide approximately 106 mixed-income rental housing units and other related community amenities; and

WHEREAS, A Predevelopment Loan Agreement has been negotiated with On Iberville Phase III, LLC (“Developer”), a Developer Affiliate of IRC, for Iberville Phase III On-site, 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 and market studies, and construction costs including design fees and structural/civil engineering. This loan explicitly excludes overhead of the Developer; and

WHEREAS, HANO’s portion of predevelopment costs for Iberville Phase III On-site, which represents seventy-five percent (75%) of the HUD-eligible and HANO-approved costs incurred by the Developer prior to closing, shall not exceed \$999,465; and

WHEREAS, Payments under this agreement will only be made to the Developer to reimburse for eligible and approved third-party predevelopment costs, and

WHEREAS, the entire principal amount of the Predevelopment Loan shall mature and be due and payable upon the maturity date of December 31, 2015 or at closing, whichever occurs earlier;

Resolution No. 2014-04
February 11, 2014
Page 2

THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of New Orleans authorizes the Administrative Receiver to execute the Iberville/Tremé Choice Neighborhood Initiative Predevelopment Loan Agreement – Iberville On-Site Phase III Development with On Iberville Phase III, LLC in an amount not to exceed \$999,465.

Executed this 11th day of February, 2014

APPROVAL:

DAVID GILMORE
ADMINISTRATIVE RECEIVER
CHAIRMAN, BOARD OF COMMISSIONERS



February 11, 2014

MEMORANDUM

**To: David Gilmore
Administrative Receiver
Chairman, Board of Commissioners**

**From: Desiree Andrepont
Director, Real Estate Planning and Development**

**Maggie Merrill
Senior Advisor to the Administrative Receiver**

Re: Iberville Infrastructure Implementation Additional Services Agreement

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. The Implementation Agreement was executed by all parties on June 29, 2012.

Section 2.2.3 of the Implementation Agreement states that HANO is responsible for the implementation of the Public Infrastructure Work on the Iberville site. This section of the Agreement also provides that HANO and the Developer may agree to have this work performed by the Developer through an Additional Services Agreement (ASA). HANO and the Developer previously executed ASA #5 for the design and engineering of the Public Infrastructure Work. The bid documents have been completed and an estimate of the costs to implement the work has been received.

The cost of implementing the infrastructure work for Phase I and Phase II of the redevelopment, which included the utilities and right of way improvements for the area surrounding blocks I, F, C and a portion of A, was included in the financial closing for these phases which occurred in December 2013. The Developer now seeks to complete the remainder of the Public Infrastructure Work ahead of the financial closings for all future residential phases.

ASA #6 is being finalized with HRI Iberville, LLC (“Developer”), a Developer Affiliate of IRC, to complete the remainder of the Public Infrastructure Work at the development. The ASA proposes completion of the remainder of the Public Infrastructure Work at the development for a fee of 6% of the actual cost of the work. The total budget for the work is \$6,672,942.00.

The City of New Orleans has agreed to contribute \$10,000,000.00 in Community Development Block Grant funding toward the cost of implementing the infrastructure work at the development. Of that amount, \$5,489,955.00 will reimburse HANO for the cost of implementing the work for Phase I and II, leaving \$4,510,045.00 available for this work. The remainder of the cost to implement this work will be paid for with Capital Funds.

HANO staff has reviewed the Developer’s proposed Public Infrastructure Work scope and budget and have determined that they are appropriate and that it will be in the best interest of HANO and the Iberville Development to enter into an ASA #6 with the Developer to complete this work.

The Board of Commissioners is hereby requested to authorize the Administrative Receiver to execute Additional Services Agreement #6 to the Iberville Implementation Agreement in an amount not to exceed \$6,672,942.00.

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
FEBRUARY 11, 2014**

RESOLUTION NO. 2014-05

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, pursuant to the CNI Implementation Agreement, HANO is responsible for various components of Public Infrastructure Work for each phase of the development; and

WHEREAS, the Implementation Agreement contemplated that HANO may enter into an Additional Services Agreement with the Developer to complete the necessary Public Infrastructure Work at the development; and

WHEREAS, Additional Services Agreement #5 has been executed for the engineering and design of the Public Infrastructure Work and bid documents are now complete for the Public Infrastructure Work; and

WHEREAS, the cost of the implementation of the Public Infrastructure Work for Phase I and Phase II, which consists of the utilities and right of way improvements around blocks I, F, C and a portion of A, was included in the financial closing that occurred in December 2013; and

WHEREAS, IRC seeks to complete the remainder of the Public Infrastructure Work ahead of the financial closings for all future residential phases; and

WHEREAS, an Additional Services Agreement is being finalized with HRI Iberville, LLC (“Developer”), a Developer Affiliate of IRC, to complete the remainder of the Public Infrastructure Work at the development; and

WHEREAS, the Additional Services Agreement, if executed, requires the Developer to complete the Public Infrastructure Work for a fee of 6% of the actual cost of the work; and

WHEREAS, the Developer has prepared a budget to complete the proposed Additional Services in an amount of \$6,672,942.00; and

WHEREAS, the City of New Orleans has agreed to contribute \$10,000,000.00 in Community Development Block Grant funding toward the cost of implementing the infrastructure work at the development. Of that amount, \$5,489,955.00 will reimburse HANO for the cost of implementing the work for Phase I and II, leaving \$4,510,045.00 available for this work. The remainder of the cost to implement this work will be paid for with Capital Funds.

WHEREAS, HANO staff have reviewed the Developer's budget for the proposed Additional Services and have determined that it is appropriate and reasonable;

THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of New Orleans authorizes the Administrative Receiver to execute the Iberville/Tremé Choice Neighborhood Initiative Additional Services Agreement #6 for Public Infrastructure Work for the Iberville Development.

Executed this 11th day of February, 2014

APPROVAL:

DAVID GILMORE
ADMINISTRATIVE RECEIVER
CHAIRMAN, BOARD OF COMMISSIONERS



February 11, 2014

MEMORANDUM

**To: David Gilmore
Administrative Receiver
Chairman, Board of Commissioners**

**From: Alan Lindenlaub
Risk Manager**

Re: HANO 2014-15 Property Insurance Renewal Ratification

Approval of the Housing Authority of New Orleans (HANO)'s 2014-15 property insurance renewal in the amount of \$1,049,221.70 is requested. The proposal for the 2014-15 property insurance renewal was presented to HANO on January 24, 2014. Coverage was bound by the deadline of January 28, 2014 via verbal and email confirmation. Payment is due by February 27, 2014.

Marsh, our risk management consultant and agent marketed HANO's property insurance needs under approximately 12 different scenarios to several major carriers including Swiss Re, AWAC, Ironshore, Alterra, Lloyds, ACE, Westchester, Travelers – B&M, Colony, Chubb Custom, AmRisk, Lexington, and AXIS.

There was a new vendor in the market for the primary block of our policy structure. It is a syndicate structure on the London market. They made a very aggressive bid for our business. While we ultimately chose to stay with our current carrier, Swiss Re was forced to meet the syndicate's bid in order to retain our business.

In terms of overall market trends, there were no major events in 2013, so the Super Storm Sandy driven spike on 2012 gross rates corrected itself back down for 2014.

In summary, we retained our current coverage limits and lowered some deductibles while achieving a 10.3% reduction in the gross rate of coverage and a \$50K net reduction in our overall premium.

Looking forward, this new syndicate structure may very well generate enough of a competitive environment to keep the market rates down again next year and offer HANO carrier options in an otherwise relatively restricted market.

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
FEBRUARY 11, 2014**

RESOLUTION NO. 2014-06

WHEREAS, the Housing Authority of New Orleans (HANO) annually obtains property insurance coverage to protect its assets from loss; and

WHEREAS, HANO's policies for these coverages were in effect for the period of January 28, 2013 to January 28, 2014; and

WHEREAS, pursuant to HANO instructions, Marsh began marketing efforts to obtain quotes from various insurers for the required coverages prior to the policy expiration date; and

WHEREAS, the 2013-2014 policies were to expire on January 28, 2014, and the renewal would be effective from that date until January 28, 2015; and

WHEREAS, Marsh completed the majority of its solicitation and submitted quotes to HANO on January 24, 2014, four days before the expiration of the current policies and

WHEREAS, the Legal Department notified the Administrative Receiver on January 27, 2014 of receipt of the quotes from Marsh and the pending expiration dates on the current policies; and

WHEREAS, there not being sufficient time to obtain Board of Commissioners approval to bind coverage before the expiration date of the policies in question, the Administrative Receiver authorized the Legal Department to bind coverage based on the quotes received January 24, 2014; and

WHEREAS, HANO received binding instruction from Marsh on January 27, 2014, payable within 30 days from effective date of the new policy (January 28, 2014) for the required property damage coverage and

WHEREAS, the Legal Department has examined the binding instructions and determined that they are appropriate and the coverage is as requested

Resolution No. 2014-06
February 11, 2014
Page 2

THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of New Orleans hereby ratifies the Administrative Receiver's previous action binding coverage prior to the expiration of the policies for 2013-2014, and hereby authorizes HANO to pay Marsh USA, Inc., in the total amount of \$1,049,221.70

Executed this 11th day of February, 2014

APPROVAL:

DAVID GILMORE
ADMINISTRATIVE RECEIVER
CHAIRMAN, BOARD OF COMMISSIONERS