



MINUTES OF THE FINANCE AUTHORITY OF NEW ORLEANS BOARD OF TRUSTEES MEETING

Tuesday, June 25, 2019

Vice-Chair Smith called the meeting to order at 10:22am.

Members Present: Mr. Stephen Smith, Mrs. Gizelle Johnson-Banks, Mr. Edgar Chase, IV, Mr. G. Wade Wootan, Mr. Charles Brown, Mr. Hunter Thomas & Ms. Andreanecia Morris

Members Absent: None

Staff Present: Mr. Damon Burns, Ms. Bianca Brown, Mrs. Mia Edwards, Ms. Rachael Gallodoro, Ms. Trenika Starks & Mr. Samuel Santa Marina

Members of the Public: Jade Brown-Russell (Legal Counsel), Dietra Cummings, Elianna Wasserman (Housing NOLA), Josh Podl (Housing NOLA), Brandy Smith (Postlethwaite & Netterville), Celeste McDonald (Postlethwaite & Netterville), Angela Fyssas-Lear (Hancock Whitney)

Old Business

There was no old business to discuss.

Public Comment

There were no public comments.

New Business / Board Actions

Acceptance and Approval of the May 28, 2019 Board Meeting Minutes – Action Item
After a review of the Minutes, **Secretary/Treasurer Wootan requested a motion to approve the minutes of the May 28, 2019 Board of Trustees Meeting as drafted. Member Morris moved, and Member Thomas seconded. The motion passed unanimously.**

2018 Audit Presentation by Postlethwaite & Netterville and Bruno & Tervalon

Mr. Burns informed the Board that the audit is on schedule to be submitted to the State on its June 30th due date.

Ms. Brandy Smith of Postlethwaite & Netterville gave a brief presentation on Reports to be Issued and required Communications. Ms. Celeste McDonald of Postlethwaite & Netterville briefly highlighted Accounting Estimates & Prior Period Adjustment. The Board discussed and accepted the audit presentation.

Mr. Smith introduced Mr. Edgar Chase as the newest board member.

Selection of Board Officers

Vice-Chair Smith stated that due to Dr. Gary Clark's departure from the board, the Trustees now need to select the next Chairperson. The Board nominated Mr. Stephen Smith for Chair and Mrs. Gizelle Johnson-Banks as Vice-Chair. Mr. G. Wade Wootan will remain the Secretary/Treasurer.

Chair Smith requested a motion to approve the Selection of Board Officers. Member Morris moved, and Member Thomas seconded. The motion passed unanimously.

Acceptance and Approval of Resolution to Change Authorized Signatories – Action Item

Mr. Burns informed the Board that the proposed resolution is needed to update FANO's signatories due to the changing of officers. The board briefly discussed.

Chair Smith requested a motion to approve the Resolution to Change Authorized Signatories. Secretary/Treasurer Wootan moved, and Member Morris seconded. The motion passed unanimously.

Discussion of Green Mortgage Program Resolution – Mr. Burns stated that the new business model was introduced a few weeks ago. FANO recently presented the new model to City Council and the Louisiana Housing Corporation and responses have been positive. He stated that this resolution will outline the launch of the new Green Mortgage Program, which is an enhanced version of the current Single-Family Mortgage Program. The program will launch in July, allowing homeowners to make green improvements to their homes. Legal Counsel is currently working on the resolution. Member Brown suggested utilizing one of FANO's vacant homes as a site for the community to visit when inquiring about new programs. Ms. Starks briefly spoke on the initial process of signing up for FANO's programs.

CEO's Report

Mr. Burns highlighted the following:

Market Update

Mortgage and treasury rates have dropped substantially each reaching their lowest since Q3 2017.

Rates	10 Year US Treasury	FANO 3% Rate
April	2.56%	5.625%
May	2.39%	5.125%
June	2.08%	4.625%

Intergovernmental Update

- A memorandum of understanding is being established between FANO, the City of New Orleans, HANO and NORA for co-investing in the city's affordable housing needs. A separate agreement is being developed between the aforementioned agencies and the Louisiana Housing Corporation.
- In partnership with the City of New Orleans, FANO has established a Green Finance working group for the purpose of creating a green finance platform for New Orleans. An interagency MOU focused on green buildings and infrastructure is being drafted, which will position FANO to be the primary provider of green public finance products in Orleans Parish.

Program Operations

Multifamily Risk Share Application – An application to HUD's Multifamily Risk Share program is being submitted. This program will allow FANO to offer "AAA" rate mortgage

financing to affordable housing developers building Low Income Housing Tax Credit projects. Application approval is expected to take 6-9 months. Payments in Lieu of Taxes ("PILOTS") will be offered as an additional benefit to qualifying projects and on a standalone basis.

Mr. Thomas exited the meeting.

Financial Condition Report

Ms. Brown presented the budget to actuals and financial condition of the organization:

- Revenues (Budget) - \$ 173,333 (Actual) - \$ 37,176
- Expenditures (Budget) - \$ 525,371 (Actual) - \$ 392,194
- Surplus (Budget) - Deficit of \$264,082 (Actual) - \$270,340
- Total Assets - 20,123,532
- Cash and Investments - 10,461,160
- Bonds Outstanding - 6,753,434

Pathway Fund

- Total Expenditures – 30,777, due to property taxes, insurance, maintenance & utilities. Staff is still in the process of liquidating the portfolio, with 10 properties being sold so far.
- Total Revenue – 128,013

Program Performance Report

- Single Family Green Mortgage – A green mortgage program is being developed which will allow borrowers to finance climate mitigation retrofits in addition to typical costs associated with purchasing a home. The program is expected to launch the summer of 2019.

Summary of Cash Accounts

- Total as of 4/30/2019 – 11,851,725

Mr. Burns acknowledged Ms. Brown and her team for their hard work during the 2018 audit.

Executive Session

Executive Session was needed to discuss the following items:

- Discussion of Settlement Between Various State Attorneys General and Citibanks, N.A.
- Discussion of CEO's Contract

Chair Smith requested a motion to enter into Executive Session. Member Johnson-Banks moved, and Secretary/Treasurer Wootan seconded. The motion passed unanimously.

Chair Smith requested a motion to exit Executive Session. Secretary/Treasurer Wootan moved, and Member Brown seconded. The motion passed unanimously.

Chair Smith requested a motion to authorize the CEO and/or Chairman to make a decision on signing an agreement to settle with Citibank. Secretary/Treasurer Wootan moved, and Member Johnson-Banks seconded. The motion passed unanimously.

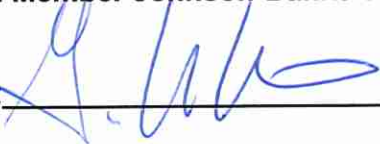
Chair Smith requested a motion to extend CEO's Contract beyond July 10, 2019. Secretary/Treasurer Wootan moved, and Member Johnson-Banks seconded. The motion passed unanimously.

Other Business

There was no other business to discuss.

Vice-Chair Smith requested a motion to adjourn the Board Meeting. Member Morris moved, and Member Johnson-Banks seconded. The meeting ended at 12:27pm.

ATTESTED:



DATE:

August 20, 2019

SECRETARY/TREASURER