K20-074

COOPERATIVE ENDEAVOR AGREEMENT

BY AND BETWEEN

THE CITY OF NEW ORLEANS

AND

THE FINANCE AUTHORITY OF NEW ORLEANS

FOR

PILOTS FOR AFFORDABLE HOUSING

THIS COOPERATIVE ENDEAVOR AGREEMENT (the "**Agreement**") is entered into by and between the City of New Orleans, represented by LaToya Cantrell, Mayor (the "**City**"), and The Finance Authority of New Orleans, represented by Damon Burns, Executive Director and CEO ("**FANO**"). The City and FANO may sometimes each be referred to as a "**Party**," and collectively, as the "**Parties**." The Agreement is effective as of the date of execution by all Parties (the "**Effective Date**").

RECITALS

WHEREAS, the City is a political subdivision of the State of Louisiana;

WHEREAS, FANO is a public trust and public corporation established for public purposes for the benefit of the City of New Orleans, Louisiana under and pursuant to the provisions of the Louisiana Public Trust Act, being Chapter 2-A of Title 9 of the Louisiana Revised Statutes of 1950, as amended, La. R.S. 9:2341-2347, inclusive (the "**Public Trust Act**"), and other constitutional and statutory authority supplemental thereto, for the furtherance and accomplishment of the public function or purpose of the City of New Orleans, Louisiana, including but not limited to affordable housing, mortgage finance and related services, activities, facilities, and properties;

WHEREAS, pursuant to Article 7, Section 14(C) of the Louisiana Constitution of 1974, and related statutes, and Section 9-314 of the Home Rule Charter of the City of New Orleans, the City may enter into cooperative endeavors with the State of Louisiana, its political subdivisions and corporations, the United States and its agencies, and any public or private corporation, association, or individual with regard to cooperative financing and other economic development activities, the procurement and development of immovable property, joint planning and implementation of public works, the joint use of facilities, joint research and program implementation activities, joint funding initiatives, and other similar activities in support of public education, community development, housing rehabilitation, economic growth, and other public purposes;

WHEREAS, the City has determined that affordable housing, specifically in City-defined Mandatory Inclusionary Zoning ("**MIZ**") zones, is a public good and a benefit to the residents of the City and that FANO is an essential partner to permit the City to fulfill its mission to improve neighborhoods, particularly for persons of low and moderate income to improve their quality of life;

WHEREAS, FANO is uniquely positioned to be the City's issuer of payments in lieu of taxes ("**PILOTs**") for qualifying affordable housing construction and development projects in Orleans Parish, including, but not limited to such projects within a MIZ zone (each a "**Qualifying Project**") within the City; and

WHEREAS, the City and FANO desire to accomplish a valuable public purpose that will benefit the welfare, health and safety of the citizens of the City by permitting FANO to enter into an arrangement whereby Qualifying Projects will make an annual payment in lieu of *ad valorem* taxes, in an amount less than the full amount of taxes that would otherwise be payable with respect to the Qualifying Project in the absence of the said arrangement (the "**PILOT Payment**"); and

WHEREAS, the City desires to permit FANO to issue PILOTS for all Qualifying Projects within the City, and to coordinate the activities described in the written procedures and policy guidelines based on best practices in the approval of a ten (10) to forty (40) year abatement of *ad valorem taxes* or Payments in Lieu of Taxes (the "**PILOT Policy**") and to continue to incentivize development in areas most in need of it while also leveraging the economic activity in the City to create a significant amount of new affordable housing opportunities for the citizens of the City.

NOW THEREFORE, the City and FANO, each having the authority to do so, agree as follows:

ARTICLE I - FANO'S OBLIGATIONS

A. ***PILOT Policy***. FANO and the City have mutually agreed that FANO's Board of Directors shall establish the PILOT Policy, which shall generally include, but shall not be limited to (i) a description of FANO's PILOT program; (ii) eligibility requirements; (iii) PILOT terms and application fees; (iv) program fees; and (v) a detailed overview of the application processes as set forth in Section B of Article I.

B. ***Procedure for the Award of a PILOT***. FANO shall facilitate and administer the procedures set forth in the PILOT Policy, which shall include, but is not limited to the following:

1. ***Project Proposal Discussion***. Prior to submitting an application, the developer or its designated agent and/or attorney (the "**Applicant**") of the Qualifying Project will meet with a FANO representative to review the general parameters of the proposed project and PILOT application.
2. ***Submission of PILOT Application***. The Applicant must submit a completed application to FANO, along with an application fee ranging from approximately $750.00 to $3,000.00 (subject to change with market conditions, CPI, etc.), depending on the location of the project in an MIZ and the inclusion of affordable housing units. The Applicant, by submission of a completed application, acknowledges and agrees to demonstrate compliance with the procedures and policies set forth in FANO's PILOT Policy, which is incorporated by reference into this Agreement
3. ***PILOT Criteria***. An application will be evaluated by FANO, in consultation with the Office of Community and Economic Development, according to the criteria set forth in the PILOT Policy, which may include, but will not be limited to a review of the current year's tax assessment, confirmation of the location of the project in a MIZ, the number of

affordable units proposed. Failure of an Applicant to comply with the PILOT Policy and PILOT Criteria will result in the application receiving a negative or unfavorable recommendation from FANO.

4. ***Calculation of Proposed PILOT Payment.*** For projects that meet the PILOT Criteria outlined in subsection (3) above and further detailed in the PILOT Policy, a 10-year PILOT payment will be proposed. FANO will use best faith efforts to consult with the Orleans Parish Assessor to establish a sliding scale for PILOT awards in an amount less than the full amount of taxes that would otherwise be payable with respect to the Qualifying Project based on factors including, but not limited to: total benefit to the City, location of the Qualifying Project in a MIZ zone, number of temporary or permanent jobs created, disadvantaged business enterprise participation, and other factors. During the construction period, the PILOT payment shall remain at an amount equal to the initial year's tax assessment. Once construction is complete, the PILOT payment will change to an amount equal to zero percent (0%) to fifty percent (50%) of the projected as-completed assessment based on a third-party appraisal and FANO underwriting procedures prior to closing. If an Applicant elects to appeal the proposed bond payment, see subsection 8 below for details. If an Applicant is also seeking bond financing, the bond issuer shall perform additional underwriting that will be factored into the determination of the term and amount of the proposed PILOT payment, which in no event shall exceed a term of 40 years, and shall be subject to reassessment on the 10th, 20th, and 30th anniversaries of the closing of bond financing.

5. ***PILOT Approval.*** FANO's governing board may consider for approval a PILOT application for a Qualifying Project that has met the minimum requirements set forth by law and has complied with the criteria set forth in the PILOT Policy. Additional approvals may be necessary if an Applicant is also seeking bond financing, including additional approvals by FANO's governing board, the bond issuer, the Louisiana State Bond Commission and other applicable regulatory agencies.

6. ***Transaction Agreements.*** The details of the proposed PILOT Payment shall be negotiated by FANO, the City through the Office of Community and Economic Development, and the Applicant. FANO shall prepare the transaction agreements between FANO and the Applicant. The transaction agreements shall include, but shall not be limited to, the lease terms, the duration of the PILOT, the annual service charge, and other principal terms, covenants, and conditions of the PILOT.

7. ***Appeals.***

a. Any recommendation or decision resulting from the actions or deliverables set forth in this Section may be appealed to the Chairman of the Board of Trustees of FANO within three (3) calendar days of transmission of the decision. If timely requested, the Chairman will review the relevant written materials, conduct whatever investigation he or she deems necessary, and make a written ruling, which will be transmitted to the appealing party. This communication may be done by email. This ruling shall be final.

b. If an Applicant appeals the proposed PILOT payment, and requests additional PILOT incentives, then at the Applicant's expense, FANO will engage an evaluator to produce a report that will provide: (a) a transparent financial analysis and evaluation of the Project and its feasibility; and (b) an analysis of the reason or demonstrable need for a PILOT (as cited in the application) supported by independent third party Project documentation furnished by the Developer. Thereafter, and based on the findings, the evaluator would provide a recommendation to FANO on whether or not an increased PILOT incentive is warranted or make an alternative recommendation for consideration.

8. *Mandatory Inclusionary Zoning PILOTs*. Notwithstanding the terms of this Agreement, FANO acknowledges that its ability to deny or rescind PILOTs within MIZ zones may be limited if such proposed project is located within a designated MIZ zone and meets all of the criteria stated in FANO's application.

ARTICLE II - THE CITY'S OBLIGATIONS

A. *Administration*. The City will:

1. Administer this Agreement through the Office of Community and Economic Development;

2. Provide FANO with the City's written approval of a Qualifying Project, on a case-by-case approval, which shall be in the City's sole discretion, in accordance with law, the PILOT Policy, and other documents deemed necessary for FANO's performance of any work required under this Agreement;

3. Provide access to Department personnel to discuss the required services during normal working hours, as requested by FANO.

ARTICLE III - DURATION AND TERMINATION

A. *Term*. The term of this agreement shall be for five years commencing on the Effective Date, unless terminated earlier in accordance with this Article's subsection B.

B. *Termination for Convenience*. The City may terminate this Agreement at any time during the term of the Agreement by giving FANO written notice of the termination at least 60 calendar days before the intended date of termination.

ARTICLE IV - INDEMNITY

A. *Indemnity*. To the fullest extent permitted by law, FANO will indemnify, defend, and hold harmless the City, its agents, employees, officials, insurers, self-insurance funds, and assigns (collectively, the "**Indemnified Parties**") from and against any and all claims, demands, suits, and judgments of sums of money accruing against the Indemnified Parties: for loss of life or injury or damage to persons or property arising from or relating to any act or omission or the operation of FANO, its agents or employees while engaged in or in connection with the discharge or performance of any services under this Agreement; and for any and all claims and/or liens for labor, services, or materials furnished to FANO in connection with the performance of work under this Agreement.

B. *Limitation*. FANO's indemnity does not extend to any loss arising from the gross negligence or willful misconduct of any of the Indemnified Parties, provided that neither FANO nor any of its agents or employees contributed to such gross negligence or willful misconduct.

C. *Independent Duty*. FANO has an immediate and independent obligation to, at the City's option: (a) defend the City from, or (b) reimburse the City for its costs incurred in the defense of any claim that actually or potentially falls within this indemnity, even if: (1) the allegations are or may be groundless, false, or fraudulent; or (2) FANO is ultimately absolved from liability.

D. ***Expenses.*** Notwithstanding any provision to the contrary, FANO shall bear the expenses including, but not limited to, the City's reasonable attorney fees and expenses, incurred by the City in enforcing this indemnity.

ARTICLE V - INSURANCE

Except as otherwise noted, at all times during this Agreement or the performance of work required by this Agreement, FANO will maintain the following insurance in full force and effect for the duration of the work under this Agreement:

A. ***Minimum Requirements.***

1. **Commercial General Liability** (CGL): Insurance Services Office Form CG 00 01 or similar acceptable to the City on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury, abuse and molestation and any other type of liability for which this Contract applies with limits of liability of not less than $1,000,000 each occurrence / $2,000,000 policy aggregate. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

2. **Workers' Compensation**: as required by the State of Louisiana, with Statutory Limits and Employer's Liability Insurance with limit of no less than $500,000 per accident for bodily injury or disease.

3. **Professional (Errors and Omissions) Liability Insurance**: Insurance appropriate to FANO's profession with limits of liability of not less than $1,000,000 per occurrence or claim / $2,000,000 policy aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as are undertaken by FANO in this Agreement.

   The policy shall be amended to include independent contractors and volunteers providing professional services on behalf of or at the direction of FANO. The definition of Contractual Liability shall be amended to state that liability under a contract of professional services is covered. FANOs hall ensure that coverage under this policy continues for a period of thirty-six months.

4. **Crime Insurance**: FANO shall maintain overage to include but not limited to employee dishonesty, forgery or alteration, on premises, computer crime/fraud with limits of not less than $500,000 per loss.

B. ***Other Insurance Provisions.*** The insurance policies are to contain, or be endorsed to contain, the following provisions:

1. **Additional Insured Status.** FANO will provide, and maintain current, a Certificate of Insurance naming The City of New Orleans, its departments, political subdivisions, officers, officials, employees, and volunteers are to be covered as "Additional Insureds" on the CGL policy with respect to liability arising out of the performance of this agreement. General liability coverage can be provided in the form of an endorsement to FANO's insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10 and CG 20 37 forms if later revisions used).

   The Certificate of Insurance, as evidence of all required coverage, should name the City of New Orleans Risk Manager as Certificate Holder and be delivered via U.S. Mail to 1300 Perdido Street, 9E06—City Hall, New Orleans, LA 70112.

   The Additional Insured Box must be marked "Y" for Commercial General Liability coverage. The Subrogation Waiver Box must be marked "Y" for Workers Compensation /Employers Liability and Property

2. **Primary Coverage**. For any claims related to this Agreement, FANO's insurance coverage shall be primary insurance as respects the City, its departments, political subdivisions, officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City shall be non- contributing to FANO's coverage.

3. **Claims Made Policies**. If applicable, the retroactive date must be shown and must be before the date of the Agreement or the beginning of work. If the coverage is canceled or non-renewed, and not replaced with another claims-made policy, FANO must purchase "extended reporting" coverage for minimum of 5 years after the termination of this Agreement

4. **Waiver of Subrogation**. FANO and its insurers agree to waive any right of subrogation, which any insurer may acquire against the City by virtue of the payment of any loss under insurance required by this contract.

5. **Notice of Cancellation**. Each insurance policy required above shall provide that coverage shall not be canceled, except with prior notice to the City of no less than 60 days.

6. **Acceptability of Insurers**. Insurance is to be placed with insurers licensed and authorized to do business in the State of Louisiana with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

C. ***Insurance Notice***. FANO will provide the City's Risk Manager (at City of New Orleans Attn: Risk Manager, 1300 Perdido Street, Suite 9E06, New Orleans, LA 70112 – Ref.: CEA) within 10 calendar days of the Effective Date and at any other time at the City's request the following documents:

1. Proof of coverage for each policy of insurance required by this Agreement;

2. Copies of all policies of insurance, including all policies, forms, and endorsements;

D. ***Miscellaneous***. Without notice from the City, FANO will:

1. Replenish any policy aggregate limit that is impaired before commencement of any work or continuation of any work under this Agreement;

2. Substitute insurance coverage acceptable to the City within 30 calendar days if any insurance company providing any insurance with respect to this Agreement is declared bankrupt, becomes insolvent, loses the right to do business in Louisiana, or ceases to meet the requirements of this Agreement; and

3. Notify the City's Risk Manager in writing immediately if it becomes aware of or receives notice from any insurance company that coverage afforded under such policy or policies shall expire, be cancelled or altered.

ARTICLE VI - NON-DISCRIMINATION

A. ***Equal Employment Opportunity***. In all hiring or employment made possible by, or resulting from this Agreement, FANO: (1) will not be discriminate against any employee or applicant for employment because of race, sex, color, religion, gender, age, physical or mental disability, national origin, sexual orientation, gender identity, creed, culture, or ancestry, and (2) where applicable, will take affirmative action to ensure that FANO's employees are treated during employment without regard to their race, sex, color, religion, gender, age, physical or mental disability, national origin, sexual orientation, gender identity, creed, culture, or ancestry. This requirement shall apply to, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. All solicitations or advertisements for employees shall state that all qualified applicants will receive consideration for employment without regard to race, sex, color, religion, gender, age, physical or mental disability, national origin, sexual orientation, gender identity, creed, culture, or ancestry.

B. ***Non-Discrimination*.** In the performance of this Agreement, FANO will not discriminate on the basis, whether in fact or perception, of a person's race, color, creed, religion, national origin, ancestry, age, sex, gender, sexual orientation, gender identity, domestic partner status, marital status, physical or mental disability, or AIDS- or HIV-status against (1) any employee of the City working with FANO in any of FANO's operations within Orleans Parish or (2) any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by FANO. FANO agrees to comply with and abide by all applicable federal, state and local laws relating to non-discrimination, including, without limitation, Title VI of the Civil Rights Act of 1964, Section V of the Rehabilitation Act of 1973, and the Americans with Disabilities Act of 1990.

C. ***Incorporation into Subcontracts*.** FANO will incorporate the terms and conditions of this Article into all subcontracts, by reference or otherwise, and will require all subcontractors to comply with those provisions.

D. The City may terminate this Agreement for cause if FANO fails to comply with any obligation in this Article, which failure is a material breach of this Agreement.

ARTICLE VII - NOTICE

A. ***In General*.** Except for any routine communication, any notice, demand, communication, or request required or permitted under this Agreement will be given in writing and delivered in person or by certified mail, return receipt requested as follows:

1. To the City:

Ellen Lee
Director, Office of Community and Economic Development
1340 Poydras Street, Suite 1800
New Orleans, LA 70112

&

City Attorney
City of New Orleans
1300 Perdido Street, Suite 5E03
New Orleans, LA 70112

2. To FANO:

The Finance Authority of New Orleans
201 St. Charles Ave., Suite 4444
New Orleans, LA 70170

Attn: Damon Burns, CEO/Executive Director

with a copy to:

Jade Brown-Russell, Legal Counsel
JD Russell Consulting LLC
900 Camp Street, Suite 456
New Orleans, Louisiana 70130

B. *Effectiveness*. Notices are effective when received, except any notice that is not received due to the intended recipient's refusal or avoidance of delivery is deemed received as of the date of the first attempted delivery.

C. *Notification of Change*. Each party is responsible for notifying the other in writing that references this Agreement of any changes in its address(es) set forth above.

ARTICLE VII – INCORPORATED DOCUMENTS

A. *In general*. The following documents are incorporated into this Agreement:

1. FANO PILOT Sample Timeline, Exhibit A.

B. *Direct Conflict*. If any Exhibit directly conflicts, in whole or in part, with this Agreement, the terms and conditions of the Exhibit will control except as provided by law.

C. *Difference in Standard*. If any Exhibit differs, in whole or in part, with this Agreement in terms of requirements, standards, timelines, etc., then the more stringent requirement, the higher standard, and the longer timeline, etc., shall prevail, unless the Parties mutually agree otherwise.

ARTICLE VIII - ADDITIONAL PROVISIONS

A. *Amendment*. No amendment of or modification to this Agreement shall be valid unless and until executed in writing by the duly authorized representatives of both parties to this Agreement.

B. *Assignment*. This Agreement and any part of FANO'S interest in it are not assignable or transferable without the City's prior written consent.

C. *Choice of Law*. This Agreement will be construed and enforced in accordance with the laws of the State of Louisiana without regard to its conflict of laws provisions.

D. *Construction of Agreement*. Neither party will be deemed to have drafted this Agreement. This Agreement has been reviewed by the Parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the Parties. No term of this Agreement shall be construed or resolved in favor of or against the City or FANO on the basis of which party drafted the uncertain or ambiguous language. The headings and captions of this Agreement are provided for convenience only and are not intended to have effect in the construction or interpretation of this Agreement. Where appropriate, the singular includes the plural and neutral words and words of any gender shall include the neutral and other gender.

E. ***Entire Agreement***. This Agreement, including all incorporated documents, constitutes the final and complete agreement and understanding between the parties. All prior and contemporaneous agreements and understandings, whether oral or written, are superseded by this Agreement and are without effect to vary or alter any terms or conditions of this Agreement.

F. ***Jurisdiction***. FANO consents and yields to the jurisdiction of the State Civil Courts of the Parish of Orleans and formally waives any pleas or exceptions of jurisdiction on account of the principal place of business of FANO.

G. ***Limitations of the City's Obligations***. The City has no obligations not explicitly set forth in this Agreement or any incorporated documents or expressly imposed by law.

H. ***No Third Party Beneficiaries***. This Agreement is entered into for the exclusive benefit of the parties and the parties expressly disclaim any intent to benefit anyone not a party to this Agreement.

I. ***Non-Exclusivity***. This Agreement is non-exclusive and FANO may provide similar programs and services to other clients, subject to the City's approval of any potential conflicts with the performance of this Agreement and the City may engage the services of others for the provision of some or all of the work to be performed under this Agreement.

J. ***Non-Solicitation Statement***. FANO has not employed or retained any company or person, other than a bona fide employee working solely for it, to solicit or secure this Agreement. FANO has not paid or agreed to pay any person, other than a bona fide employee working for it, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from this Agreement.

K. ***Non-Waiver***. The failure of either party to insist upon strict compliance with any provision of this Agreement, to enforce any right or to seek any remedy upon discovery of any default or breach of the other party at such time as the initial discovery of the existence of such noncompliance, right, default or breach shall not affect or constitute a waiver of either party's right to insist upon such compliance, exercise such right or seek such remedy with respect to that default or breach or any prior contemporaneous or subsequent default or breach.

L. ***Prohibition of Financial Interest in Agreement***. No elected official or employee of the City shall have a financial interest, direct or indirect, in this Agreement. For purposes of this provision, a financial interest held by the spouse, child, or parent of any elected official or employee of the City shall be deemed to be a financial interest of such elected official or employee of the City. Any willful violation of this provision, with the expressed or implied knowledge of FANO, shall render this Agreement voidable by the City and shall entitle the City to recover, in addition to any other rights and remedies available to the City, all monies paid by the City to FANO's pursuant to this Agreement without regard to FANO's otherwise satisfactory performance of the Agreement.

M. ***Prohibition on Political Activity***. None of the funds, materials, property, or services provided directly or indirectly under the terms of this Agreement shall be used in the performance of this Agreement for any partisan political activity, or to further the election or defeat of any candidate for public office.

N. ***Remedies Cumulative***. No remedy set forth in the Agreement or otherwise conferred upon or reserved to any party shall be considered exclusive of any other remedy available to a party. Rather, each remedy shall be deemed distinct, separate and cumulative and each may be exercised from time to time as often as the occasion may arise or as may be deemed expedient.

O. ***Severability*.** Should a court of competent jurisdiction find any provision of this Agreement to be unenforceable as written, the unenforceable provision should be reformed, if possible, so that it is enforceable to the maximum extent permitted by law or, if reformation is not possible, the unenforceable provision shall be fully severable and the remaining provisions of the Agreement remain in full force and effect and shall be construed and enforced as if the unenforceable provision was never a part the Agreement.

P. ***Survival of Certain Provisions*.** All representations and warranties and all obligations concerning indemnification, remedies, jurisdiction and choice of law shall survive the expiration, suspension, or termination of this Agreement and continue in full force and effect.

Q. ***Terms Binding*.** The terms and conditions of this Agreement are binding on any heirs, successors, transferees, and assigns.

ARTICLE VI – COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original copy of this Agreement, but all of which, when taken together, shall constitute one and the same agreement.

ARTICLE VII - ELECTRONIC SIGNATURE AND DELIVERY

The Parties agree that a manually signed copy of this Agreement and any other document(s) attached to this Agreement delivered by email shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement. No legally binding obligation shall be created with respect to a party until such party has delivered or caused to be delivered a manually signed copy of this Agreement.

[SIGNATURES CONTAINED ON NEXT PAGE]

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IN WITNESS WHEREOF, the City and FANO, through their duly authorized representatives, execute this Agreement.

CITY OF NEW ORLEANS

BY: ______________________
LATOYA CANTRELL, MAYOR

Executed on this 9TH **of** March, **20**20

FORM AND LEGALITY APPROVED:
Law Department

By: ______________________

Printed Name: Andrew Gregorian

THE FINANCE AUTHORITY OF NEW ORLEANS

BY: ______________________
DAMON BURNS, CEO AND EXECUTIVE DIRECTOR

Executed on this 22nd **of** January, **20**20

72-108-7849
FEDERAL TAX I.D.

EXHIBIT A
FANO PILOT SAMPLE TIMELINE

A. PROCESS FOR MANDATORY INCLUSIONARY ZONE ("MIZ") AND AFFORDABLE HOUSING PILOTS (Non-Tax Credit and Non-Bond Transactions Only)

Action/Deliverable	Estimated Time Delay**	Responsible Party
Initial Eligibility and Pre-Submittal Conference	30-day period from date of initial contact with FANO	Applicant must initiate contact with FANO
Application Submittal	At Applicant's Discretion	Applicant
FANO Staff & Underwriting Review and Recommendation (includes proposed PILOT payment structure)	30-day period from date of submission of application	FANO and FANO Underwriting Committee
FANO Finance Committee Meeting	14-day period from receipt of FANO Staff and Underwriting Committee reports	FANO Finance Committee; Applicant should be prepared to attend
FANO Board Approval of Transactional Documents	7-day period from date of Finance Committee Meeting	FANO Board; Applicant should be prepared to attend
TOTAL ESTIMATED TIME:	**60-90 days**	

R. PROCESS FOR PILOTS INCLUDING, MIZ, AFFORDABLE HOUSING, TAX CREDIT AND BOND FINANCING COMPONENTS

Action/Deliverable	Estimated Time Delay**	Responsible Party
Initial Eligibility and Pre-Submittal Conference	30-day period from date of initial contact with FANO	Applicant must initiate contact with FANO
Application Submittal	At Applicant's Discretion	Applicant
FANO Staff & Underwriting Review and Recommendation (includes proposed PILOT payment structure)	30-day period from date of submission of application	FANO and FANO Underwriting Committee
FANO Finance Committee Meeting	14-day period from receipt of FANO Staff and Underwriting Committee reports	FANO Finance Committee; Applicant should be prepared to attend
FANO Board Preliminary Approval	7-day period from date of Finance Committee Meeting	FANO Board; Applicant should be prepared to attend
Louisiana Housing Corporation Underwriting Process	60-day period from date of submission of application	Louisiana Housing Corporation

Louisiana Housing Corporation and State Bond Commission - Preliminary Approval	30-day period from date of completion of underwriting process	Louisiana Housing Corporation and Louisiana State Bond Commission; Applicant should be prepared to attend
Public Hearing and Deal Documents Prepared	30-day period from date of LHC and SBC Preliminary Approval	FANO Staff; Applicant should be prepared to attend
FANO Board Final Approval	30-day period from date of LHC and SBC Preliminary Approval	FANO Board; Applicant should be prepared to attend
Louisiana Housing Corporation and State Bond Commission - Final Approval	30-day period from date of FANO Board Final Approval	Louisiana Housing Corporation and Louisiana State Bond Commission; Applicant should be prepared to attend
Closing and Bonds Delivered	30-day period from date of LHC and SBC Final Approval	FANO Staff; LHC Staff; Applicant
TOTAL ESTIMATED TIME:	**6-9 Months**	

***Estimated time delays are subject to change*

RESOLUTION OF THE

BOARD OF DIRECTORS OF

THE FINANCE AUTHORITY OF NEW ORLEANS ("FANO")

A RESOLUTION APPROVING A COOPERATIVE ENDEAVOR AGREEMENT (CEA) BETWEEN THE CITY OF NEW ORLEANS ("CITY") AND THE FINANCE AUTHORITY OF NEW ORLEANS ("FANO" OR "COMPANY")

WHEREAS, The Finance Authority of New Orleans ("FANO" or "Company") is a public trust created by the City Council of New Orleans under the provisions of the Louisiana Public Trust Code;

WHEREAS, FANO is a public trust and public corporation established for public purposes for the benefit of the City of New Orleans, Louisiana under and pursuant to the provisions of the Louisiana Public Trust Act, being Chapter 2-A of Title 9 of the Louisiana Revised Statutes of 1950, as amended, La. R.S. 9:2341-2347, inclusive (the "**Public Trust Act**"), and other constitutional and statutory authority supplemental thereto, for the furtherance and accomplishment of the public function or purpose of the City of New Orleans, Louisiana, including but not limited to affordable housing, mortgage finance and related services, activities, facilities, and properties; and

WHEREAS, FANO, is a quasi-governmental agency created to help citizens get low interest mortgage loans to purchase homes in Orleans Parish through programs that serve both first-time homebuyers and non-first-time homebuyers of all family income levels (the "Mission"); and

WHEREAS, the City is a political subdivision of the State of Louisiana; and

WHEREAS, pursuant to Article 7, Section 14(C) of the Louisiana Constitution of 1974, and related statutes, and Section 9-314 of the Home Rule Charter of the City of New Orleans, the City may enter into cooperative endeavors with the State of Louisiana, its political subdivisions and corporations, the United States and its agencies, and any public or private corporation, association, or individual with regard to cooperative financing and other economic development activities, the procurement and development of immovable property, joint planning and implementation of public works, the joint use of facilities, joint research and program implementation activities, joint funding initiatives, and other similar activities in support of public education, community development, housing rehabilitation, economic growth, and other public purposes; and

WHEREAS, the City has determined that affordable housing, specifically in City-defined Mandatory Inclusionary Zoning ("MIZ") zones, is a public good and a benefit to the residents of the City and that FANO is an essential partner to permit the City to fulfill its mission to improve neighborhoods, particularly for persons of low and moderate income to improve their quality of life; and

WHEREAS, FANO is uniquely positioned to be the City's issuer of payments in lieu of taxes ("**PILOTs**") for qualifying affordable housing construction and development projects in Orleans Parish, including, but not limited to such projects within a MIZ zone (each a "**Qualifying Project**") within the City; and

WHEREAS, the City and FANO desire to accomplish a valuable public purpose that will benefit the welfare, health and safety of the citizens of the City by permitting FANO to enter into an arrangement whereby Qualifying Projects will make an annual payment in lieu of *ad valorem* taxes, in an amount less than the full amount of taxes that would otherwise be payable with respect to the Qualifying Project in the absence of the said arrangement (the "**PILOT Payment**"); and

WHEREAS, the City desires to enter into a Cooperative Endeavor Agreement (the "City CEA"), substantially in the form attached hereto as Exhibit A, to permit FANO to issue PILOTS for all Qualifying Projects within the City, and to coordinate the activities described in the written procedures and policy guidelines based on best practices in the approval of a ten (10) to forty (40) year abatement of *ad valorem taxes* or Payments in Lieu of Taxes (the "**PILOT Policy**") and to continue to incentivize development in areas most in need of it while also leveraging the economic activity in the City to create a significant amount of new affordable housing opportunities for the citizens of the City; and

WHEREAS, the Board of Trustees of the Company (the "Board") desires to authorize Damon E. Burns, in his capacity as CEO and Executive Director of the Company, to enter into the City CEA with the City of New Orleans;

NOW THEREFORE BE IT RESOLVED, the Board hereby ratifies and confirms all actions heretofore taken by the Company's staff in connection with the execution of the City CEA between the City of New Orleans and The Finance Authority of New Orleans.

RESOLVED FURTHER, the Board hereby accepts the recommendation of staff to approve the City CEA between the City of New Orleans and The Finance Authority of New Orleans.

RESOLVED FURTHER, that the Company's staff is hereby authorized and directed to prepare any documents, agreements and take appropriate actions, as may be necessary to implement the City CEA between the City of New Orleans and The Finance Authority of New Orleans.

RESOLVED FURTHER, that Damon E. Burns, in his capacity as CEO and Executive Director of the Company is hereby authorized and directed to take all appropriate actions to implement the City CEA between the City of New Orleans and The Finance Authority of New Orleans.

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THE FOREGOING RESOLUTION WAS READ IN FULL, THE ROLL WAS CALLED ON THE ADOPTION THEREOF AND RESULTED AS FOLLOWS:

Voter	Yea	Nay	Absent
Stephen M. Smith, Esq., Chairperson	✓		
Gizelle Johnson-Banks, Vice-Chairman			✓
G. Wade Wootan, Esq., Secretary-Treasurer	✓		
Charles Brown, Member	✓		
Edgar Chase IV, Member	✓		
Andreanecia Morris, Member			✓
Hunter Thomas, Esq., Member	✓		

Board Chair

1-21-2020

Date Signed

Board Secretary-Treasurer

JANUARY 21, 2020

Date Signed