



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

VIA ZOOM

MEETING ID: 896 2526 9165

PASSWORD: 699897

BOARD OF COMMISSIONERS

**PRESIDENT
DEBRA JOSEPH**

**VICE PRESIDENT
ISABEL BARRIOS**

**COMMISSIONERS
AVERY FORET
SHARON JASPER
CAROL JOHNSON
MONIKA MCKAY
HYMA MOORE
KIM PIPER
BILL ROUSELLE**

Please note the certification of the Housing Authority of New Orleans (“HANO”) that is posted with this Agenda and which does certify that because of and pursuant to Executive Order and Emergency Proclamations Numbers 25 JBE 2020, 30 JBE 2020, and 33 JBE 2020 signed by Governor John Bel Edwards, HANO is unable to operate in accordance with the quorum requirement of La. R.S. 42:19 and therefore will conduct all or portions of this meeting by telephonic-conferencing and/or video-conferencing means without a physical quorum present. Procedures for appropriate participation by the public in this meeting are posted on HANO’s website.

JUNE 30, 2020 at 4:00pm

AGENDA

COMMITTEE APPOINTMENTS

DEVELOPMENT

**CHAIR
CAROL JOHNSON**

**COMMISSIONERS
ISABEL BARRIOS
KIM PIPER**

***ASSET MANAGEMENT &
OPERATIONS***

**CHAIR
BILL ROUSELLE**

**COMMISSIONERS
SHARON JASPER
HYMA MOORE**

FINANCE & AUDIT

**CHAIR
DEBRA JOSEPH**

**COMMISSIONERS
MONIKA MCKCAY**

PERSONNEL

**CHAIR
DEBRA JOSEPH**

**COMMISSIONERS
ISABEL BARRIOS
KIM PIPER
BILL ROUSELLE**

- I. STATEMENT BY GENERAL COUNSEL**
- II. CALL TO ORDER**
- III. ROLL CALL**
- IV. COMMENTS FROM THE PRESIDENT**
- V. APPROVAL OF THE AGENDA**
- VI. APPROVAL OF THE MINUTES**
 - Regular Meeting held on May 28, 2020
- VII. EXECUTIVE DIRECTOR’S REPORT**
- VIII. COMMISSIONER REPORTS**
 - Residents’ Advisory Board (RAB) Report
 - Landlords’ Advisory Board Committee Report
- IX. COMMITTEE REPORT(S)**
 - Personnel Committee Report
 - Development Committee Report

X. NEW BUSINESS

**ITEMS FOR APPROVAL
AUTHORIZATON(S)**

- **RESOLUTION NO. 2020-12 - Approval of the Fischer III Closing**

XI. PUBLIC COMMENTS

- **Public Comment(s)**
- **Board of Commissioners Comment(s)**

XII. ANNOUNCEMENTS AND REMINDERS

XIII. EXECUTIVE SESSION

- **Executive Session pursuant to R.S. 42:17(A)(1), to discuss the “character, professional competence, or physical or mental health of a person” in relation to the performance evaluation of HANO’s Executive Director.**

XIV. ADJOURNMENT



June 30, 2020

MEMORANDUM

**To: Board of Commissioners
President Debra Joseph, Vice President Isabel Barrios,
Commissioner Avery Foret, Commissioner Sharon Jasper,
Commissioner Carol Johnson, Commissioner Monika McKay,
Commissioner Hyma Moore, Commissioner Kim Piper and
Commissioner Bill Rouselle**

**Through: Evette Hester
Executive Director**

**From: Emily May
Acting Director, Development and Modernization**

Re: Fischer III Financial Closing and Buy-Out of the Investor Member

In the early 2000s, the Housing Authority of New Orleans (“HANO”) began to redevelop and renovate its public housing. In some instances, the redevelopment and renovation included a change in the name of the housing site. For example, HANO’s St. Thomas site is now known as River Gardens and the St. Bernard site is now known as Columbia Parc.

As part of the redevelopment and renovation of the early 2000s, HANO’s Fischer site retained its name, but was divided into different sections, such as Fischer I, Fischer III, and the Senior Village. Fischer III encompasses stand-alone three and four bedroom units in the northeast section of the Fischer site.

To fund the redevelopment and renovation of the Fischer III section of HANO’s Fischer site, a public-private entity was created in February, 2005. The public-private entity was named Fischer III, LLC, and is a Louisiana limited liability company. Moreover, not only did Fischer III, LLC fund the redevelopment and renovation of Fischer III, but it also is, and at all times has been the owner of the public housing that is located in the Fischer III section (i.e., the northeast section) of HANO’s Fischer public housing site.

Fischer III, LLC has operated pursuant to an Amended and Restated Operating Agreement since February, 2005 (the “Operating Agreement”). Fischer III, LLC, as defined in the Operating Agreement, is comprised of a managing member, a special member, and an investor member.

Lune D’Or Enterprise, LLC (“Lune D’Or”), a Louisiana limited liability company, is the Managing Member of Fischer III. The managing member currently is and always has been responsible for the operation of the public housing that is located in the Fischer III section (i.e., the northeast section) of HANO’s Fischer site.



HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR COMMITTEE MEETING

BOARD OF COMMISSIONERS

JUNE 30, 2020 at 4:00pm

VIA ZOOM

PRESIDENT
DEBRA JOSEPH

VICE PRESIDENT
ISABEL BARRIOS

COMMISSIONERS
AVERY FORET
SHARON JASPER
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CERTIFICATION OF INABILITY TO OPERATE
DUE TO LACK OF QUORUM

In accordance with Executive Order and Emergency Proclamation Numbers 30 JBE 2020 and 59 JBE 2020 issued by Governor John Bel Edwards on March 16, 2020 and May 14, 2020 respectively, this notice shall serve as a certification of the inability of the Housing Authority of New Orleans ("HANO") to operate in accordance with Louisiana's Open Meetings Law due to the lack of a quorum as a result of the COVID-19 Public Health Emergency and the measures put in place to protect the health and safety of the public by federal, state, and city officials.

COMMITTEE APPOINTMENTS

DEVELOPMENT

CHAIR
CAROL JOHNSON

COMMISSIONERS
ISABEL BARRIOS
KIM PIPER

As attested to below, Evette Hester, Secretary of the HANO Board of Commissioners, has conferred with the members of the Board of Commissioners and confirmed their inability to attend a meeting in public because of the measures put in place to protect the health and safety of the public by federal, state, and city officials.

ASSET MANAGEMENT &
OPERATIONS

CHAIR
BILL ROUSELLE

COMMISSIONERS
SHARON JASPER
HYMA MOORE

Considering the foregoing and in accordance with Section 4 of Executive Order JBE 2020-30 and Section 2 of Executive Order JBE 2020-59, the Regular Meeting of the HANO Board of Commissioners to be held on June 30, 2020 at 4:00 p.m. will be held via teleconference and/or videoconference in a manner that allows for observation and input by members of the public as set forth in the Notice and Agenda of the meeting that has been posted by HANO.

Evette Hester
Secretary, HANO Board of Commissioners

FINANCE & AUDIT

CHAIR
DEBRA JOSEPH

COMMISSIONERS
MONIKA MCKCAY

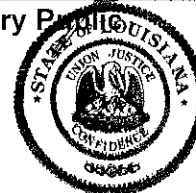
PERSONNEL

CHAIR
DEBRA JOSEPH

COMMISSIONERS
ISABEL BARRIOS
KIM PIPER
BILL ROUSELLE

On this 26th day of June, 2020 before me personally appeared Evette Hester, to me known to be the person described herein and who executed the foregoing instrument and acknowledged that she executed it as her free act and deed.

Notary Public



KEVIN OUFNAC
NOTARY PUBLIC
STATE OF LOUISIANA
BAR NO. 23887
MY COMMISSION IS FOR LIFE

MMA¹ Special Limited Partner, Inc. a Florida corporation, is the special member of Fischer III, LLC. The special member is and always has been the representative of the investor in Fischer III, LLC.

MMA Fischer III, LLC, a Delaware limited liability company, is the investor member of Fischer III, LLC. The investor member is and always has been the primary equity funding source of the redevelopment and renovation. At this time, the investor member is Hunt.

Under the Operating Agreement, the investor member, Hunt, has specific rights to the income generated by the operation of public housing at the Fischer III section of HANO's Fischer site. However, the Operating Agreement never intended for the investor member to own the public housing at the Fischer III section of HANO's Fischer site. Instead, by its own terms, the Operating Agreement intended to return the ownership of the public housing at the Fischer III section of HANO's Fischer site to HANO upon the anticipated sunset date of November, 2024. But, upon the return of the ownership of the public housing to HANO at the anticipated sunset date, the Operating Agreement also requires an exit payment by the managing member to the investment member.

HANO has recently audited the finances of the Fischer III section of HANO's Fischer site. The audit has shown that (1) because Hurricane Katrina delayed the completion of the Fischer III units and thereby denied a certain amount of income from the operation of public housing at the Fischer III section of HANO's Fischer site, and (2) because the public housing units at the Fischer III section of HANO's Fischer site have been in service for more than twelve years, the managing member will be required to pay more money to the investor member than was originally contemplated. Accordingly, it is the opinion of HANO that HANO should enter into a financial closing that "buys-out" the interest of the investor member several years earlier than the anticipated sunset date of November, 2024 that was originally contemplated in the Operating Agreement.

Therefore, it is requested that the Board of Commissioners of the Housing Authority of New Orleans authorize the Executive Director, Evette Hester, to execute any and all documents necessary to effectuate the financial closing and buy-out of the interest of the investor member of the Fischer III, LLC several years earlier than was originally contemplated in the Operating Agreement for the Fischer III, LLC.

¹ MMA Financial TC Corporation ("MMA") was the original investor partner of HANO in the Fischer III redevelopment and renovation. MMA was liquidated in 2011 and its assets were acquired by Boston Financial Investment Management. Subsequently, Boston Financial Investment Management liquidated and Hunt Capital Partners, LLC ("Hunt") acquiring the investor membership interest in Fischer III, LLC. Thus, Hunt is the current investor member of Fischer III, LLC.

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
JUNE 30, 2020**

RESOLUTION NO. 2020-12

WHEREAS, the Housing Authority of New Orleans (“HANO”) began to redevelop and renovate its public housing in the early 2000s; and

WHEREAS, part of the redevelopment and renovation of the early 2000s included the redevelopment and renovation of the Fischer III section of HANO’s Fischer site; and

WHEREAS, to fund the redevelopment and renovation of the Fischer III section of HANO’s Fischer site, a public-private entity was created in February, 2005; and

WHEREAS, the public-private entity was named Fischer III, LLC, a Louisiana limited liability company; and

WHEREAS, Fischer III, LLC has operated pursuant to an Amended and Restated Operating Agreement dated February, 2005 (the “Operating Agreement”); and

WHEREAS, Fischer III, LLC, as defined in the Operating Agreement, is comprised of a managing member, a special member, and an investor member; and

WHEREAS, under the Operating Agreement, the investor member has specific rights to the income generated by the operation of public housing at the Fischer III section of HANO’s Fischer site; and

WHEREAS, by its own terms, the Operating Agreement has an anticipated sunset that will occur in November, 2024; and

WHEREAS, by its own terms, the Operating Agreement requires the managing member to pay an exit price to the investment member at the anticipated sunset of the Operating Agreement in November, 2024; and

WHEREAS, HANO has recently audited the finances of the Fischer III section of HANO’s Fischer site and determined that intervening events since the signing of the Operating Agreement in February, 2005, including but not limited to Hurricane Katrina in August, 2005, have increased the estimated amount of the exit price that the managing member will be required to pay to the investor member at the anticipated sunset of the Operating Agreement in November, 2024.

Resolution No. 2020-12
June 30, 2020
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THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of New Orleans desires to minimize the exit price that the managing member will be required to pay to the investor member at the anticipated sunset of the Operating Agreement that will occur in November, 2024 and as such, hereby authorizes the HANO Executive Director, Evette Hester, to execute any and all documents necessary to effectuate the financial closing and buy-out of the interest of the investor member of the Fischer III, LLC one year earlier than was originally contemplated in the Operating Agreement for the Fischer III, LLC.

Executed this 30th Day of June, 2020

APPROVAL:

DEBRA JOSEPH
PRESIDENT, BOARD OF COMMISSIONERS