



FINANCE
NEW ORLEANS

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Strategic Plan

2021–2030

Making New Orleans a Better Home



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A MESSAGE FROM OUR CEO



Damon E. Burns
President and CEO
Finance New Orleans

Greetings Friends,

For more than 40 years, the Finance Authority has made owning a piece of New Orleans a reality for all residents. After natural disasters, a housing financial crisis, an oil spill, and a pandemic, we have stood by our commitment to create opportunities for homeownership throughout New Orleans for all New Orleanians. While we have maintained our efforts to provide single-family mortgages, we have branched into the multi-family development space and are now finding new vectors for growth like green infrastructure, stormwater management, modernized housing concepts, and community solar. These endeavors build communities of the future for our residents to call home. This conviction stands at the core of our Strategic Plan and the Resilient New Orleans Finance Plan. With our expanded reach, we firmly believe we will achieve our mission to make New Orleans a Better Home.

As we evolved, we opted for a complete brand redesign that better represents the direction of the organization. These updates began with our name change, adopting the moniker Finance New Orleans. Our colors, green and blue, signify a renewed mission to create a greener and more resilient New Orleans. Our name, FinanceNOLA, connotes a shift from an institutional posture of a traditional finance authority that originated over \$700 million single-family home mortgages to a broader approach that considers a rapidly changing climate. In addition, we are now one of the inaugural members of the American Green Bank Consortium. This national network will impact finance and climate policy, thus shaping the future of our city, our country, and our planet.

Effective May 2021, the FinanceNOLA Board of Trustees approved the adoption of our new strategic action plan. Now, we are sharing our 10-year goal to drive \$1Billion in impact by the year 2030. In this booklet you will see how we transform, continuing to support homeownership opportunities while driving economic development towards a sustainable environment for growth. This new vision led us to develop a Green Mortgage option that ensures homes purchased by New Orleanians are efficient and eco-conscious. We are working with housing developers and government agencies to incorporate green infrastructure in their projects. Finally, we are partnering with local businesses to spur new innovative housing development methods. This strategic plan marks a new direction for our organization, and what you will read in the following pages will guide us in our work to help drive our mission over the next decade. We know the foundation that we build today will guarantee that our city, our community, and our culture can continue for another 300 years and more.

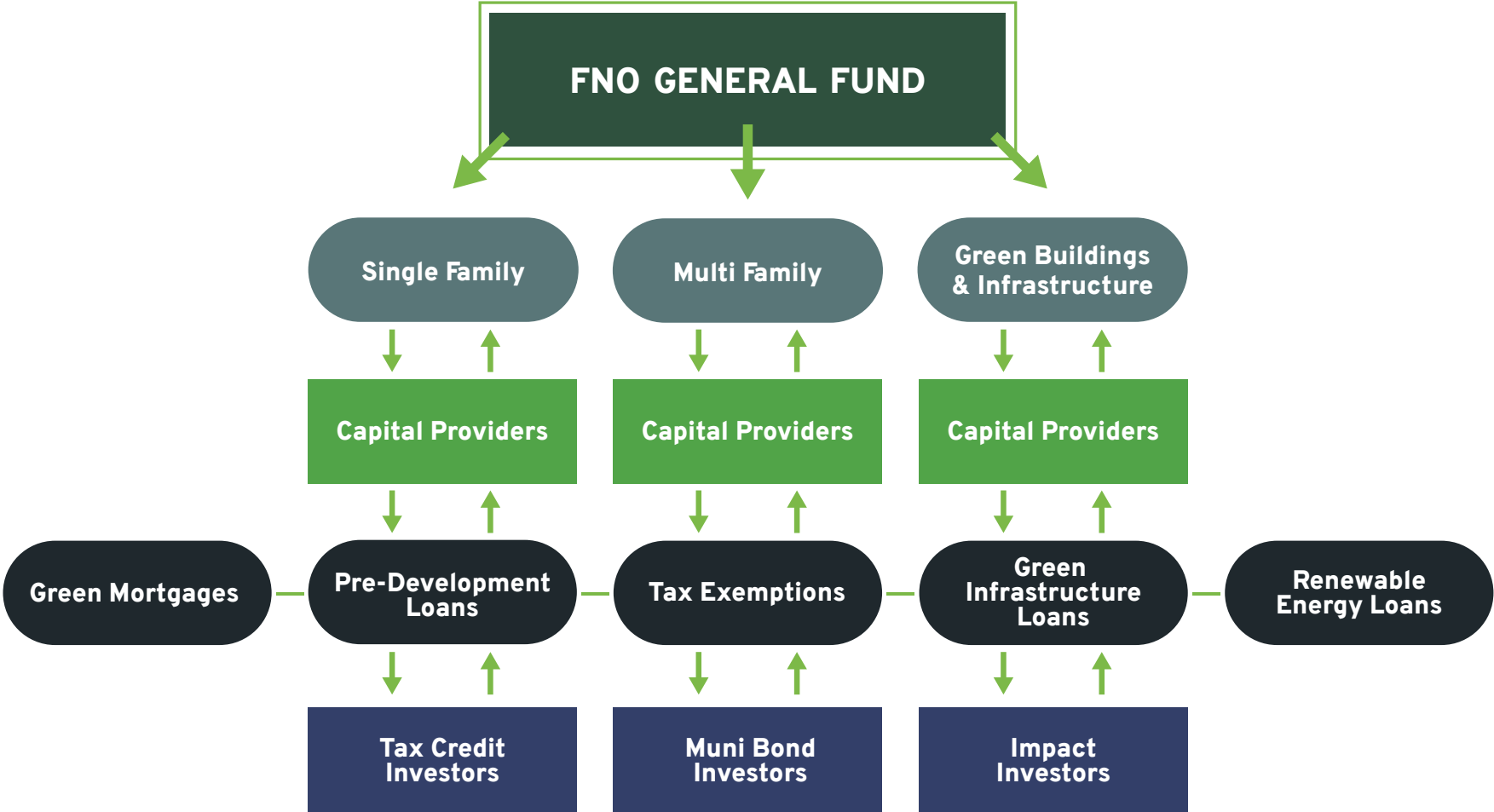


Strategic Plan Framework

The Strategic Plan Framework reflects the strategies and goals of Finance New Orleans and the priorities of the Board of Directors. A new Vision and Mission along with Four Strategic Focus Areas were identified to guide the FNO's business strategy over the next two years. Our Strategic Plan will serve as a tool to align communication and decision-making across the seven Core Service Areas of the organization.

OUR GREEN FINANCE BUSINESS MODEL

Our new green finance business model is designed to increase resiliency and opportunity.



OUR COMMUNITY OUTCOMES



**Affordable & Sustainable
Housing Production**



**Green Job
Creation**



**Stormwater
Mitigation**



**Community
Awareness & Action**



**Green Technology
Deployment**



**Reduction in
CO₂ Emissions**

OUR COMMUNITY INVESTMENT

Finance New Orleans is targeting \$1Billion in Community Investment by 2030 funded via:

Equity Equivalent & Program Related Investments



Green & Environmental Impact Bonds



Commercial Lending Facilities



\$1 Billion
BY 2030

Our Commitment

FNO is committed to creating an affordable pathway to homeownership for New Orleanians while improving the quality and creating a more climate conscious and resilient city.

In this section:

- Vision
- Mission
- Values
- Goals



Vision

To create a resilient New Orleans with opportunity for all.

Mission

To improve the quality of life in the city of New Orleans by investing in affordable housing, economic development and climate resilience projects that produce quality jobs and wealth for its residents.



OUR VALUES



Dedication and commitment to the organization, our mission, and the community



Strong ethics and integrity



Collaboration



Equity



Professional and efficient service

OUR GOALS

- 1 Use Climate Resilience to Physically Transform New Orleans**
- 2 Create Economic Opportunities**
- 3 Build Public Wealth for Community Reinvestment**
- 4 Grow as an Agile and Innovative Organization**



Core Service Areas

In order to achieve our goals that align with our new Vision and Mission, seven core areas form the building blocks for our continued success, and guide how key initiatives are prioritized across the organization. Our work as a housing and development finance agency is represented by the following core service areas:

- Housing Innovation
- Green Buildings
- Green Infrastructure
- Governance
- Programs
- Reporting and Transparency
- Research and Development





Housing Innovation

HOUSING INNOVATION

Affordable housing (prevent involuntary displacement of native New Orleanians through both the development of affordable rental and homeownership units; reduce the number of cost burdened renters by 50%; highest and best use of public properties to develop affordable housing; workforce development [how many jobs created per loan]).

- Develop 7,500 units of affordable housing by 2030.
- Finance 10 affordable housing and MIZ PILOTs per year by 2030.
- Develop public agency infrastructure to develop a joint decision-making process to create the highest and best use of public property in order to accelerate the annual goal of affordable housing development.
- Capitalize on public assets and partnerships to maximize affordable housing opportunities by developing affordable housing on underutilized public and private sites.



HOUSING INNOVATION



Financing options to advance resiliency (homeownership education; improve agency financial position).

- Finance 1,500 green mortgages with a goal of diverting 220 million gallons of stormwater and reducing CO₂ by approximately 57 thousand metric tons.
- Achieve a 10% risk-adjusted net asset ratio.
- Achieve 5% profitability.
- Expand homebuyer and financial counseling/coaching services by 50%.
- Develop an innovative financing platform to increase conversion of clients counseled through the homebuyer program into FNO mortgage products.

HOUSING INNOVATION

Invest in strategies that introduce new housing technologies to the New Orleans economy (construction technology (building methods); sustainability projects; reduce energy burden by substantially increasing the number of energy efficient homes.

- Scale origination efforts to achieve a production rate of 1,000 green mortgages and loans per year by 2030.
- Invest in 50 innovative housing projects by 2030 through the Housing Innovation Pre-Development Loan Fund, the Sustainable Developer program, and other funding strategies.
- Create zero energy ready homes with a healthy indoor environment, advanced technologies, quality construction, climate resilient, and solar ready features. (10% of the FNO affordable housing production by 2030).





Green Buildings

Financing Options to Advance Resiliency

- Develop financing options that will reduce the consumption of electricity and natural gas in financed green commercial and municipal buildings by 1% annually.
- Expand public/private partnerships to leverage capital for green building investments.
- Invest in green building technologies in non-residential projects.

Commercial Buildings

- Finance 25 green loans per year.
- Develop a renewable energy infrastructure/installations to reduce energy use in commercial buildings.
- Create a package of green financing products for businesses willing to build or renovate according to green building practices.
- Create small business sustainability (clean energy, climate resilient, and post-COVID) financing products targeted toward the restaurant and hospitality industries.

Public Buildings

- Develop public sector clean energy investments.
- Develop a renewable energy infrastructure/installations to reduce energy use in public buildings.
- Finance 25 green loans per year.





Green Infrastructure

GREEN INFRASTRUCTURE

Financing Options to Advance Resiliency

- Develop tax-exempt financing and PILOTs to invest in renewable energy, stormwater management and green manufacturing projects.
- Achieve overall target investment of \$1Billion to support green infrastructure by 2030.
- Achieve a public/private leverage ratio to accelerate investments in green infrastructure stormwater management.

Stormwater Management

- Work with the Sewerage and Water Board of New Orleans to leverage a stormwater management fee to provide a sustainable, long term, equitable funding source.
- Partner with SWBNO to offer customers green mortgage and loan products for residential stormwater management projects.

Clean Energy Production

- Reduce energy use and emissions associated with new construction, additions, retrofits, and remodels in all buildings built or improved in New Orleans.





Governance

GOVERNANCE

Our Board of Trustees consists of seven members appointed by the City Council of New Orleans. These board members are key stakeholders directing the mission and vision of FNO and facilitate the implementation of initiatives. While these positions are appointed by City Council, they are not considered to be a part of the city government.

There are (2) committees on the Board of Directors of Finance Nola, the Programs Committee and the Finance and Investments Committee.





Programs

PROGRAMS

Community Support Fund

- The Finance Authority of New Orleans has established the Community Support Fund in response to the Coronavirus (COVID-19) pandemic to provide flexible resources to potential homebuyers and existing homeowners within Orleans Parish.
- The CSF is designed to complement the agency other available resources while also expanding its local capacity to address the needs of the vulnerable populations disproportionately stressed by the Outbreak.

Energy Efficient Mortgage

- The EEM allows a borrower to finance 100% of the expense of a cost effective “energy package”, that is, the property improvements, to make the house more energy efficient.
- The EDEM Program recognizes that the improved energy efficiency of a house can increase its affordability by reducing operating costs.
- Because the home is energy efficient, the occupant(s) will save on utility costs, and therefore be able to devote more income to the monthly mortgage payment.
- In addition, qualified borrowers can receive assistance up to 7% of the purchase price.





Reporting and Transparency

REPORTING AND TRANSPARENCY

FNO will communicate with the public and its stakeholders, through required filings such as its annual strategic plan and annual financial reports. This information will be made available on FNO's website. FNO will also continue to report its progress by way of newsletters, quarterly webinars and various other outreach efforts with a large range of stakeholders and other public participants.





Research and Development

RESEARCH AND DEVELOPMENT

FNO will continue to develop new market opportunities for future green investments. It is our goal to understand potential opportunities and develop programs that will deliver impactful benefits to the community.



Conclusion

The Strategic Plan provides careful guidance for action across our organization. It is our framework for decision-making, allocation of effort and resources, and evaluation of progress. The plan also provides guidance for engagement throughout our community to identify opportunities for alignment and synergy.

For more information please visit www.financenola.org



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FINANCE NEW ORLEANS

201 St. Charles Avenue, Suite 4444
New Orleans, LA 70170
Tel: (504) 524-5533

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