



***State and Municipal Action for Results Today***  
***Agenda for Legislative Empowerment and Collaboration***

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**To: City of New Orleans, Louisiana, Planning Department, care of Robert Rivers, Executive Director**

**From: Matthew Charles Cardinale, CEO; Dr. Dwanda Lee Farmer, Board Secretary**

**Date: July 23, 2016**

**Re: Response to HBAGNO on Affordable Housing Impact Statements; Commending Planning Commission**

First and foremost, congratulations to Bob Rivers; Kelly Butler; and the Planning Commission and staff for the Public Hearing you all held on Tuesday, July 12, 2016.

The City of New Orleans has set forth a public process to study the adoption of Affordable Housing Impact Statements (AHIS) that, we believe has been exceptionally deliberative, open, transparent, and participatory - offering the opportunity for all sides to be heard.

As national experts on AHIS, we helped draft the Model Ordinance adopted in Atlanta, and are currently working with several U.S., cities and counties on getting AHIS adopted. Thank you again for your meeting with us on June 15.

We watched with great interest the video of the July 12 Public Hearing, and wish to respond to some of the concerns raised by Kirk Williamson of the Home Builders Association of Greater New Orleans (HBAGNO).

**I. DESPITE CLAIM BY THE HOMEBUILDERS' ASSOCIATION, THE INFORMATION SOUGHT TO BE COLLECTED BY AHIS IS NOT CURRENTLY "READILY AVAILABLE" TO THE PUBLIC, TO DECISIONMAKERS, OR TO HUD, IN A SINGLE REPOSITORY OR IN A CONSISTENT FORMAT. AHIS WOULD MAKE INFORMATION READILY AVAILABLE IN A WAY THAT IT CURRENTLY IS NOT.**

As noted by the Planning Commission, there are three categories of decisions that New Orleans is exploring for an AHIS policy:

1. Building permit decisions and other housing-related changes that come in administratively;
2. Land use decisions; and
3. Public policy decisions, including funding decisions.

It seems that the Home Builders Association is not fully aware of the range of decisions that would potentially require an Impact Statement, and is likely thinking only of the first category - administrative decisions like building permit applications.

We would hope, although do not share complete confidence, that developers would have some information about how many affordable units would be demolished in any proposal they put forth--and, how many units would be replaced, if any--as well as information about the price points of those units.

Even if that information were available to developers, that does not make it available to the public, to decisionmakers, to stakeholders, to the Planning Commission, or to the U.S. Department of Housing and Urban Development (HUD); nor does that put it in a consistent format, so that the cumulative effect of public policy decisions may be tracked in a meaningful, accessible way.

The Scorecard Format proposed, based on the Atlanta Model, is actually quite simple, so the Home Builders Association should appreciate that it is not burdensome in design. In fact, it is "as simple as checking a box." Yet, even in its simplicity, the Scorecard is comprehensive, capturing additions and subtractions at each income bracket.

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*This legislation, if enacted, is estimated to have a projected impact upon the affordable housing stock of the City of New Orleans by:*

*Adding \_\_\_ or decreasing \_\_\_ units affordable at 30 or below percent of the City of New Orleans Area Median Income (AMI); and*

*Adding \_\_\_ or decreasing \_\_\_ units affordable between 30.01 and 50 percent of AMI; and*

*Adding \_\_\_ or decreasing \_\_\_ units affordable at between 50.01 and 80 percent of AMI; and*

*Adding \_\_\_ or decreasing \_\_\_ units affordable at over 80 percent of AMI.*  
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As for other public policy and land use decisions, we disagree that the information is readily available, although it should be, if the people of New Orleans are to be empowered to make the best public policy decisions going forward.

As Commissioners noted, however, to the extent that the information is so “readily available,” perhaps to developers for their individual projects, then this undermines their claim that for developers to provide the information would be onerous or burdensome.

**II. CLAIM BY HBAGNO THAT AHIS HAS BEEN ADOPTED AND REPEALED IN SEVERAL U.S. CITIES, INCLUDING SAN FRANCISCO AND BOSTON, IS FALSE.**

We have done extensive research on Affordable Housing Impact Statements (AHIS). To our knowledge, they have been adopted to date in Austin, Texas; San Diego, California; and Atlanta, Georgia. We have found no information to support a claim that AHIS has been adopted, or repealed, in Boston or San Francisco.

**III. DESPITE STATED OPPOSITION TO FEES, NO DEVELOPER FEES ARE PROPOSED AS PART OF THE MODEL ORDINANCE**

The Model Ordinance does not anticipate Developer Fees. It is possible that the Planning Commission would have to hire an additional staff person to complete the Impact Statements; however, it is our position that the Planning Commission *should be* considering affordability impacts as part of their work, and can only benefit from having a simple, innovative tool to do so.

**IV. EVEN IF THERE WERE DEVELOPER COSTS, THE IDEA THAT THESE WOULD GET PASSED ON TO RENTERS IS BASED ON AN OLD, ERRONEOUS THEORY OF HOUSING POLICY. IN REALITY, PROPERTY OWNERS ALREADY CAN AND DO OFTEN, CHARGE AS MUCH AS THEY CAN EXTRACT OUT OF RENTERS BASED ON "THE MARKET," WITHOUT REGARD TO THE UNDERLYING COSTS OF PROVIDING THE HOUSING UNITS.**

HBAGNO will cite lower property taxes and no regulation as the solution to every problem we face. However, the assumption is based on an erroneous theory that does not comport with reality.

We could eliminate every cent of property tax and make all permitting free, and even subsidize it - and there is no reason to believe that any of that cost savings *ever* would be passed along to renters, in the free market housing framework that our public policy choices have allowed at the broadest level.

We know that property owners in New Orleans have knowingly raised rents to the point that tens of thousands of struggling families of New Orleans have severe housing cost burden--just because they can do so! Just because the market allows it!

The people of New Orleans are struggling with heartache and high blood pressure and anxiety over the fear of becoming homeless on the streets of New Orleans!

So, we find it quite disingenuous, then, for the Property Owners to come back around and say, let's not collect some information because we'll have to pass any costs along to our renters - as if there was ever any real relationship between the cost of doing business and the rents they charge. Commissioners, please do not be moved by their false tale of woe.

As noted by Commissioners and by nonprofit and advocacy stakeholders, the adoption of AHIS may result in *more* investment, both of public and private dollars in New Orleans, by making New Orleans more competitive for grants, loans, and tax credits. HUD is interested in jurisdictions taking affirmative steps to reduce barriers to fair housing. Grantmakers are interested in seeing how their potential investments fit into a strategic plan to address unmet housing needs and provide access to transportation, social services, grocery stores, and amenities. The City of New Orleans already has the Housing NOLA plan, and a goal of 7,500 new affordable housing opportunities by 2021; this is a way to demonstrate seriousness about meeting this goal.

We restate and incorporate our First Round of Comments, submitted via email on July 02. <http://bit.ly/29ReD2c>

Finally, we extend our appreciation and gratitude to the many advocates and stakeholders who have spoken in favor of AHIS, especially Andreanecia Morris of GNOHA and Housing NOLA.

Their strong presence and understanding of the benefits of AHIS should demonstrate to the Planning Commission and the City Council, that New Orleanians will be empowered in a meaningful way by the adoption of an AHIS policy, because stakeholders there are prepared to use the Impact Statements to inform the City's ongoing conversations around substantive housing policy.

Please continue to feel free to contact us anytime for any information or analysis you might need to complete your Study and any next steps to fully implement an AHIS.

Thank you,

Matthew Charles Cardinale  
Dr. Dwanda Lee Farmer